

Department of Revenue Services



At a Glance

Acting Commissioner – John D. Biello

Established – 1901

Statutory authority – Connecticut General Statutes, Section 12-1

Central office – 450 Columbus Boulevard, Suite 1, Hartford, CT 06103

Internet address – <https://portal.ct.gov/DRS>

Number of authorized positions – 627

Recurring operating expenses – \$57,835,969

Organization structure – Commissioner's Office; Fiscal Administrative Services; Audit and Compliance; Legal Services; Human Resources; Information Systems; and Operations

Mission

The mission of the Department of Revenue Services (DRS) is to be the best tax agency in the country. The DRS instills public confidence in the integrity and fairness of state tax collection; achieves the highest level of voluntary taxpayer compliance; continuously improves performance; contributes to the fiscal and economic well-being of the state; and provides a positive and professional workplace.

Statutory Responsibility

The DRS administers state taxes (except for the property tax), and collects state revenue while safeguarding Connecticut taxpayer rights and privacy. The DRS represents the State of Connecticut in litigation before the state's Tax Court and may initiate civil collection actions to collect unpaid taxes, including the placement of liens and the issuance of tax warrants. The DRS also conducts criminal investigations of potential tax violations of the Connecticut General Statutes.

Public Service

The DRS serves taxpayers and collects funds to help the State of Connecticut carry out its various functions, in addition to providing research, collecting data, and issuing taxpayer guidance. The DRS is focused on fair and equitable tax administration, excellent customer service, and stimulating high levels of voluntary tax compliance.

- To protect the health and safety of employees, DRS immediately positioned resources and implemented remote work procedures to ensure essential agency functions - such as answering emails and phone calls; and processing returns, payments, and refunds - continued uninterrupted from the outset of the COVID-19 outbreak.
- To provide targeted relief to Connecticut taxpayers during the COVID-19 outbreak, DRS used its statutory authority to extend filing and payment deadlines for corporate, individual, and other state tax returns until July 15, 2020. In addition, DRS provided immediate administrative relief to small businesses by granting an automatic extension of certain filing and payment deadlines for Sales Tax and Room Occupancy Tax.
- The DRS launched a new assistance program specifically designed to help taxpayers subject to current collections matters who have been impacted by the COVID-19 pandemic. The DRS Priority One Taxpayer Assistance Program is available to businesses and individuals who may be unable to meet their current collections obligations.
- The DRS implemented a significant number of legislative tax changes and administered the state's Neighborhood Assistance Act (NAA), which awarded five million dollars in tax credits to businesses that sponsor approved projects on behalf of a tax-exempt organization or municipal agency. For the 2019 NAA year, the program supported 483 proposals, submitted by 373 organizations in 73 communities.
- The DRS Taxpayer Advocate (TPA) worked with taxpayers in cases where they were unable to reach resolution through regular agency channels. The TPA handled hundreds of referrals from colleagues, including those seeking more information on non-DRS administered programs such as Economic Impact Payments. Approximately 70% of cases referred to the office were fully resolved by the TPA, with the balance requiring additional agency input for resolution.
- Acting Commissioner John Biello and DRS staff regularly made community education presentations and participated in tax help events, partnering with organizations such as the Spanish American Merchants Association; UConn Tax School; the Connecticut Department of Veteran's Affairs; the Internal Revenue Service Volunteer Income Tax Assistance program; the Connecticut Business & Industry Association; and the Small Business Administration.
- The DRS leveraged social media channels such as Facebook and Twitter to amplify agency guidance, news, and announcements, and translated certain press releases for Spanish speaking audiences. For the first time, professionals at DRS delivered a Business Tax Help presentation entirely in Spanish at a Spanish American Merchants Association event.

- Acting Commissioner John Biello re-launched the DRS External Advisory Committee, a quarterly meeting of tax practitioners, business representatives, and other stakeholders for the purpose of exchanging information, asking and answering questions, and receiving feedback.
- The DRS online Taxpayer Service Center (TSC) offered a user-friendly, secure, and free automated system to register for business taxes, make payments, enter into payment plans, and file returns for the vast majority of tax types. Through the TSC, 84% of taxpayer registrations were submitted online, and over two million electronic payments were made for all tax types.
- Utilizing a team approach to give taxpayers a single point of assistance for everything from billing to refunds, the Operations Bureau handled more than 420,838 calls.
- The DRS e-Alert service, which includes state tax filing reminders, press releases, information about legislative tax changes, and new tax forms and publications, reached 3,547 subscribers.
- The DRS automated telephone response system enabled 200,024 taxpayers to confirm the status of their refunds.
- The DRS responded to 9,614 e-mail inquiries through general e-mail and secure personal mailboxes, and responded to a high volume of written inquiries from taxpayers and tax practitioners.
- The DRS regional walk-in taxpayer assistance offices located in Bridgeport, Norwich, Waterbury, and Hartford, served 10,971 taxpayers.
- The DRS website received 10,934,066 visits. In response to the COVID-19 pandemic, DRS launched an FAQ page that included guidance on numerous topics, including Connecticut tax implications of the federal CARES Act. During just the last week of March, when the FAQ was initially posted, the page was visited more than 1,600 times.

Improvements and Achievements

- The Audit and Compliance Division generated \$359,003,324 from audit assessments. Additionally, 82,844 audits were processed.
- The Audit and Compliance Division collected more than \$8 million through the DRS Voluntary Disclosure Program on 126 registrations. The agency collected an additional \$470,000 through the Multistate Tax Commission's Voluntary Disclosure Program.
- Implementation of marketplace facilitator legislation, combined with various Audit and Compliance Division initiatives, resulted in remote sellers reporting \$112,238,233, and marketplace facilitators reporting \$119,546,016, in sales tax revenue.

- The DRS cooperative offset programs with the Internal Revenue Service, multiple states, and other Connecticut agencies resulted in approximately \$8.5 million in payments.
- The DRS collected approximately \$19.3 billion in revenue, and issued more than 1.1 million refunds totaling more than \$1.5 billion.
- The Appellate Division resolved 1,912 protests valued at \$70 million.
- The DRS anti-fraud measures prevented approximately \$4.8 million in improper refunds from being issued. The Fraud Unit continued to make progress in discouraging tax fraud via identity theft and continued to investigate fraudulent federal Schedule C losses.
- Criminal enforcement activities of the Criminal Investigations Division (CID) resulted in 51 arrests, 23 infractions, and the recovery of \$525,000 of revenue. CID continued its diligent enforcement activities in the tobacco arena.
- The DRS took initial steps to launch an Organizational Development Unit, including the appointment of a Director, with the goals of transforming DRS into a performance-driven agency, increasing training and education opportunities, and building employee engagement.
- The DRS continued to implement new standards for paid tax preparers, including communications to preparers to help bring them into compliance with current requirements. Since launching the online-only permit application in October 2018, approximately 2,800 applicants had been registered.

Strategic Projects

- Due to the COVID-19 pandemic, the launch of Phase One of the agency's multi-year IT modernization initiative was postponed from May until September. The launch of Phase One will be highlighted by a new, online tax filing and payment portal called **DRS myconneCT**, which will improve the customer's experience and deliver additional, user-friendly features such as mobile device-friendly design, secure web messaging, and advanced tax filing reminders.
- The 2019 season for paper income tax returns processed in-house through the Enterprise Content Management system included over 184,000 income tax returns, and more than 8,400 Form 1040 extensions, processed. Due to COVID-related filing and payment extensions, processing of returns remains in progress at the time of report submission.
- The DRS team worked with sister agencies to advance key Administration policy initiatives, including service on the Paid Family and Medical Leave executive steering committee; collaboration with the Department of Labor to process unemployment claims made by self-employed individuals; and assistance to the Department of Economic and Community Development with the administration of pandemic-related small business loans.
- The DRS team contributed to the development and launch of business.ct.gov (Business One Stop), the state's new portal for current and prospective business owners looking for

guidance on how to plan, register, and operate a business in Connecticut. The collaborative effort integrated and streamlined information from five state agencies.

Affirmative Action, Diversity and Equity

The DRS strives for a diverse and equitable workplace where employees can grow professionally. The DRS Diversity and Opportunity Committee, with employee representatives from all parts of the agency, continues to be a catalyst for opportunity and inclusion. The DRS Affirmative Action Plan was reviewed, approved, and commended by the state Commission on Human Rights and Opportunities.