

# FORM CT-12-717A

## Connecticut Surety Bond Form Change of Resident Status - Special Accruals

*Attach to the front of Form CT-1040NR/PY with a letter of tender.  
Complete this agreement in triplicate and send in the appropriate envelope.  
If filing a joint return, include both names.*

**KNOW ALL PERSONS BY THESE PRESENTS,** that we \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_  
as principal, and the \_\_\_\_\_  
a corporation organized under the laws of the State of \_\_\_\_\_ and  
duly authorized to transact business in the State of Connecticut, having an office and usual place of business at

\_\_\_\_\_ Connecticut,  
as Surety, are held and firmly bound unto the People of the State of Connecticut and the Department of Revenue Services,  
the sum of \_\_\_\_\_ lawful money of the United States of America, for the payment whereof we bind  
ourselves, our successors and assigns, jointly and severally, firmly by these presents.

**WHEREAS,** the principal on \_\_\_\_\_ (date) changed resident status for purposes of the  
personal income tax administered by the Commissioner of Revenue Services from \_\_\_\_\_  
\_\_\_\_\_ (full address)  
to \_\_\_\_\_ (full address)

and is required under section 12-717 of the Connecticut General Statutes to determine source income for the  
year 19\_\_\_\_, and

**WHEREAS,** due to such change of residence, certain additional amounts were includible under section 12-717 in  
computing Connecticut taxable income of the principal on the accrual basis for the taxable period immediately prior to the  
change of residence, and

**WHEREAS,** the principal desires not to report on such principal's return for the taxable period immediately prior  
to the change of residence the amounts referred to in the preceding paragraph which would be otherwise includible under  
section 12-717,

**WHEREAS,** the principal elects to defer Connecticut income tax under section 12-717 and expressly agrees to file  
the Connecticut nonresident income tax return or returns required by section 12-717 and to include thereon the amounts so  
accruable under section 12-717 and consents to personal jurisdiction in Connecticut for Connecticut income tax purposes,  
which election and agreement shall be binding on the principal's heirs, representatives, assigns, successors, executors and  
administrators,

**WHEREAS,** the tax for such taxable period prior to the change of residence would have been increased by the  
amount of \$\_\_\_\_\_ if such election had not been made, and

**WHEREAS,** section 12-717 of the Connecticut General Statutes require a taxpayer to file a bond to secure the  
payment of any taxes deferred thereunder;

**NOW, THEREFORE,** the condition of such bond is such that if the principal shall pay the full amount of tax,  
and any penalties and interest thereon, deferred for the year 19 \_\_\_\_\_ by reason of election under section 12-717 of the  
Connecticut General Statutes or shall report for the applicable taxable years all items of income, gain, loss or deduction  
which were accruable for the taxable period immediately prior to such principal's change of residence and which would  
otherwise have been required to be included in the principal's return for such period, then this obligation is to be void;  
otherwise, it shall remain in full force and effect.

**IN WITNESS WHEREOF,** we have caused this instrument to be duly executed and sealed  
this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_.

(Signed)

\_\_\_\_\_  
Principal

By (signed)

\_\_\_\_\_  
Surety

STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

**FORM CT-12-717A & FORM 12-717B INSTRUCTIONS**

you move out of Connecticut you must accrue on your Connecticut part-year resident return, in the year that you move, any items of income, gain, loss or deduction which under an accrual method of accounting, would be reportable at the time you changed your residence. These accruals are required even if you would normally report such items on another accounting basis. You must also accrue to Connecticut the items subject to Connecticut alternative minimum tax. These special accruals are required under section 12-717 of the Connecticut General Statutes.

you had a right to receive the income without restriction or contingencies at or before the date of the change of residence, this income would be accruable at the time you changed your residence, even if the income is actually received after you move out of Connecticut. Examples of accruable items of income are 1) the unrealized income from an installment sale made while you were a resident and 2) payments that you will receive from a lottery which you won while you were a resident.

you are not required to make the special accruals on your Connecticut part-year resident return in the year that you move if: 1) you file a surety bond and other acceptable security in an amount equal to or greater than the amount of additional Connecticut income tax that would be due if the accrual items were included on your Connecticut part-year resident return, and 2) you include the accrual amounts as received on your Connecticut nonresident return for subsequent tax years as if no change of resident status occurred.

you decide to file a surety bond, Form CT-12-717A, *Connecticut Surety Bond Form* must be properly executed in triplicate. Both the surety bond and Form CT-12-717A (in triplicate) should be filed with Form CT-1040 NR/PY, *Nonresident and Part-Year Resident Income Tax Return* for the year that the change of residence occurred.

The surety bond must be:

- executed by a surety company which is registered with, and under the supervision of, the Insurance Department of the State of Connecticut;
- approved by the Department of Revenue Services;
- in the amount not less than the amount of deferred Connecticut income tax;
- filed with the Connecticut part-year resident income tax return;
- accompanied by properly executed Form CT-12-717A, in triplicate; and
- accompanied by a statement showing the nature and amount of each item of accrued income, gain, loss and deduction as of the date of the change of residence, together with a computation of the additional Connecticut income tax which would be due if the election had not been made and if the accrued items were properly included in Connecticut adjusted gross income during the residency portion of the taxable year on the Connecticut part-year resident income tax return.

In place of a surety bond, you may file collateral security acceptable to the department. If you decide to file collateral security, it must be accompanied by a properly executed collateral agreement on Form CT-12-717B, *Resident Status - Special Accruals*, in triplicate. Both the collateral agreement and Form CT-12-717B, (in triplicate) should be filed with your return for the year that the change of residence occurred. The following kinds of security will be accepted as collateral security:

- Bank passbooks and certificates of deposit;
- Irrevocable standby letters of credit made payable to the Connecticut Department of Revenue Services;
- Evidence of withholding of Connecticut income tax from Connecticut lottery winnings payments and
- Other forms of security acceptable to the Department.

Bank passbooks and certificates of deposit offered as collateral must be in an amount not less than the amount of deferred Connecticut income tax and must represent money on deposit with a financial institution approved by the Department. Certificates of deposit must have a maturity date at least one year after the date of filing with the department. Additionally, bank passbooks and certificates of deposit offered must be:

- prepared in the name of the taxpayer;
- accompanied by a signed, undated withdrawal slip; and
- accompanied by a letter prepared on the letterhead of the financial institution and signed by an officer, identifying the passbooks or certificates of deposit by account number and confirming that withdrawal of principal from the passbook or certificate of deposit offered as collateral will not be permitted without written consent from the Connecticut Department of Revenue Services, and stating that any right of set-off which the financial institution may possess against the taxpayer shall be subordinated to the interest of the Department in the passbook or certificate of deposit offered as collateral; and
- accompanied by a properly completed letter of transmittal in such form as the Department may require, advising that the proceeds of such passbook accounts or certificates of deposit may be withdrawn by the Department and applied against the taxes due. Any interest accruing on bonds, passbooks or certificates of deposit belongs to the taxpayer and can be withdrawn.

Standby letters of credit offered as collateral must:

- be irrevocable for a period of time determined by the Department;
- be made payable to the Connecticut Department of Revenue Services;
- be written for the amount of deferred Connecticut Income Tax to the next higher thousand dollars;
- be issued or confirmed by a bank approved by the Department; and
- contain other payment terms acceptable to the Department.

The surety bond with Form CT-12-717A or the collateral security with Form CT-12-717B must be attached to the front of Form CT-1040 NR/PY and placed in the appropriate envelope.