



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

25 Sigourney Street Ste 2
Hartford CT 06106-5032

PS 2011(3)

POLICY STATEMENT

Requests for Waiver of Electronic Filing and Electronic Payment Requirements

Purpose: This Policy Statement outlines the procedure to request a waiver of the electronic filing and electronic payment requirements in cases of demonstrated undue hardship. This Policy Statement also provides guidance as to what may or may not constitute undue hardship.

Effective Date: Effective October 1, 2011, and applicable to payments for tax periods beginning on or after that date.

Statutory Authority: Conn. Gen. Stat. §12-686, as amended by 2011 Conn. Pub. Acts 145, §1.

Background: Conn. Gen. Stat. §12-686 authorizes the Commissioner of Revenue Services (Commissioner) to require that certain taxpayers file their returns and pay their taxes electronically. The department is required to give taxpayers notice of their obligation to file and pay taxes electronically. No taxpayer is required to pay any tax electronically until the department has given notice of the requirement to do so. Therefore, if you have not been notified by the department that you are required to pay a tax electronically, you have no obligation to pay the tax electronically and do not need a waiver.

During the 2011 regular session of the Connecticut General Assembly, Conn. Gen. Stat. §12-686 was amended by adding the following waiver provision:

(d) Notwithstanding any provision of subsection (a) of this section, any person required to file a tax return electronically or to make a tax payment by electronic funds transfer, may request in writing, not later than thirty days prior to the date such filing or payment is due, that the commissioner waive such requirements if, on the basis of information provided by such person, the

commissioner finds that there would be undue hardship for such person. The commissioner shall promptly inform such person of the granting or rejection of the requested waiver. The decision of the commissioner shall be final and not subject to further review or appeal. If the commissioner grants the waiver, such person may file a signed paper Connecticut tax return or returns and make payments by other than electronic funds transfer. Such waiver shall be effective for twelve months from the date such waiver is granted. The provisions of this subsection shall not apply to return preparers.

Therefore, after a taxpayer submits an application and information, the requirements of electronic filing and electronic payment may be waived if the Commissioner finds that there would be **undue hardship** for the taxpayer.

Definition: *Undue hardship* means excessive, extraordinary, or reasonably insurmountable hardship. Undue hardship will be determined on a case-by-case basis, will be fact-specific, and will be limited to the information provided by the taxpayer. Each waiver request will be judged individually based on its facts and circumstances.

Generalized conclusions will not be sufficient to support a claim of undue hardship. Undue hardship cannot be established by a taxpayer solely on the basis of declaring a general distrust of information technology such as the Internet, electronic communications, or the security of information provided by means of electronic transfer. Undue hardship may be demonstrated by the documented general unavailability of the technology and communications systems necessary for electronic filing and electronic payment. Undue hardship may also be demonstrated on the basis of the substantial financial cost to the taxpayer relative to the amount

of the tax owed by the taxpayer for the current tax year.

Alternate Filing and Payment Method: Before submitting a waiver request, taxpayers should understand that the telephone may be used to electronically file and pay certain taxes. Four types of tax returns may be **filed** electronically using the department's **Telefile** system: **Form CT-WH, Withholding Tax Payment Form**; **Form CT-941, Connecticut Quarterly Reconciliation of Withholding**; **Form OS-114, Sales and Use Tax Return**; and **Form OP-210, Room Occupancy Tax Return**. In addition, the Telefile system may be used to pay the following taxes:

- Admission and Dues
- Alcoholic Beverage
- Attorney Occupational
- Business Entity
- Business Use
- Cable, Satellite, Video
- Certified Competitive Video
- Community Antenna
- Corporation Business
- Diesel Fuel
- Domestic Insurance
- Dry Cleaning
- Electric Distribution
- Foreign Insurance
- Gas Utilities
- Health Care Center
- Motor Vehicle Fuel
- Petroleum Products
- Railroad
- Rental Surcharge
- Room Occupancy
- Sales & Use
- Solid Waste
- Tobacco Products
- Tourism
- Unrelated Business
- Payroll Withholding
- Nonpayroll Withholding

Taxpayers are encouraged to determine whether or not they can meet the electronic filing and/or payment obligation using the department's Telefile system before requesting a waiver.

Procedures for Requesting Waiver: If you have been notified that you are required to file or pay taxes

electronically and believe you can demonstrate undue hardship to comply with an electronic filing or electronic payment, you may request a waiver from the Commissioner. To request a waiver, complete and file **Form DRS-EWVR, Request for Waiver of Electronic Filing and Electronic Payment**. Form DRS-EWVR must be signed by the taxpayer.

In order to be considered a timely request, the department must receive a fully completed and properly executed Form DRS-EWVR no fewer than 30 days prior to the date the electronic filing or electronic payment is due. Taxpayers are encouraged to provide as much detail as possible when requesting a waiver and may include attachments to Form DRS-EFW. Form DRS-EWVR is available on the department's website at **www.ct.gov/DRS** or by calling the Forms Unit at 1-800-382-9463 (in Connecticut outside the greater Hartford calling area) and choosing Option 2 or by calling 860-297-4753 (from anywhere) and choosing Option 2. To submit an electronic filing or electronic payment waiver request, taxpayers must mail Form DRS-EWVR to:

Department of Revenue Services
State of Connecticut
Electronic Filing Unit
P.O. Box 2937
Hartford, Connecticut 06104-2937

Tax Preparers: Return preparers subject to the provisions of Conn. Agencies Regs. §12-690-1 may not use Form DRS-EFW to request a waiver of their obligations under this regulation.

Notification to Taxpayers of Commissioner's Decision: If the Commissioner determines an undue hardship exists and waives the electronic filing and electronic payment requirement, the department will send the taxpayer written notification of the Commissioner's decision. Once this notification is received, the taxpayer may file a signed paper Connecticut tax return or returns and may make payments by other than electronic means for 12 months from the date the waiver is granted.

If a waiver is granted and the 12 months expire, taxpayers who believe that undue hardship still exists **must re-apply** timely for a waiver for any succeeding 12-month period.

If the Commissioner determines the taxpayer has not established that an undue hardship exists and denies the waiver request, the department will send the taxpayer notification of the Commissioner's decision.

If the taxpayer's request for a waiver is denied, the taxpayer must file and pay electronically. The Commissioner's decision is final and is not subject to further review or appeal.

Questions Regarding a Waiver of the Electronic Filing and Electronic Payment Requirement: Questions regarding an electronic filing or electronic payment waiver request should be directed to the Electronic Filing Unit at 860-297-4973.

Effect on Other Documents: None Affected.

Effect of This Document: A Policy Statement explains in depth a current Department of Revenue Services (DRS) position, policy, or practice affecting the tax liability of taxpayers.

For Further 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.

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

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-Alerts Service: Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-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.
