



TAX TOPICS



STATE OF CONNECTICUT

DEPARTMENT OF REVENUE SERVICES

JANUARY 2024 VOLUME 1 NO. 1



Welcome to the first edition of the Department's quarterly Tax Topics Newsletter. The Department is committed to providing timely and helpful information to Connecticut taxpayers and tax practitioners. To that end, DRS has reestablished the Taxpayer Services Division to focus on improving customer satisfaction for all tax related matters.

The newsletter is intended to provide general information for taxpayers and tax practitioners. It is not intended to explain in depth current Department policy or practice. The information contained in the newsletter is not intended to supersede, alter, or otherwise change provisions of the Connecticut General Statutes, regulations, Department rulings, or tax guidance.

How to Get Assistance

Business Address:

450 Columbus Blvd, Ste 1
Hartford, CT 06103

Business Hours:

Monday through Friday, between
8:30 a.m. and 4:30 p.m.

Phone:

800-382-9463 (CT only)

860-297-5962

860-297-4911 (TTY, TDD and Text
Telephone users only)

Email: DRS@ct.gov

Website: portal.ct.gov/DRS

In-Person Assistance:

- Remote videoconferencing via the Microsoft Teams platform.
- In-person meetings with a DRS professional at the 450 Columbus Blvd, Hartford, CT location.
- To schedule an appointment, taxpayers should contact the DRS Taxpayer Contact Center at DRS@ct.gov.

File and pay your taxes online!

myconneCT
Revenue Services



Legislative Highlights

Reduction in certain income tax rates: Legislation lowers the two lowest marginal rates. Specifically, the 3% rate on the first \$10,000 earned by unmarried individuals and the first \$20,000 earned by married individuals filing jointly or earned by a person who files a return under the federal income tax as a surviving spouse, will decrease to 2%. The 5% rate on the next \$40,000 earned by unmarried individuals and the next \$80,000 earned by married individuals filing jointly or earned by a person who files a return under the federal income tax as a surviving spouse will decrease to 4.5%. Effective for income years commencing on or after January 1, 2024.

[2023 Conn. Pub. Acts 204, § 376](#)

Revisions to subtraction modification for pension and annuity income and IRA distributions: Legislation provides a subtraction modification of 50% of IRA distributions (other than Roth IRAs). Legislation also provides a phase-out for allowable pension and annuity income and IRA distributions (other than Roth IRAs) against the personal income tax. Effective for income years commencing on or after January 1, 2024.

[2023 Conn. Pub. Acts 204, § 377](#)



Seasonal Tax Matters

Seasonal Business (Snow Plowing):

Now that the winter weather is here, if you plan to hire a snow plowing contractor for snow removal services this season, be advised the services are subject to sales tax. Therefore, snowplowing contractors are required to register and obtain a Sales and Use Tax Permit with DRS.

If you have questions about whether your business is subject to Connecticut sales tax, review the sales tax page on the DRS website: portal.ct.gov/DRS/Sales-Tax/Tax-Information. To register your business with DRS and obtain a Sales and Use Tax Permit use **myconneCT**, the agency's online tax filing portal at: portal.ct.gov/DRS-myconneCT.

Upcoming Tax Filing and Paying Due Dates

Attorney Occupational Tax:

Any attorney listed on the roll of attorneys maintained by the Superior Court at any time during the calendar year for which this return is filed, must file a return for the calendar year even if the attorney is claiming an exemption from tax.

Any person who is admitted as an attorney by the judges of the Superior Court, Appellate Court, or Supreme Court; engaged in the practice of law in Connecticut during the calendar year for which this return is filed; and is not exempt from this tax, is liable to pay this tax. **Form 472, Attorney Occupational Tax Return**, is due on or before January 15, 2024.

Highway Use Fee:

Return is now due on a quarterly basis rather than monthly, starting with the 4th quarter return for the period October 1, 2023 through December 31, 2023. This return must be filed by January 31, 2024.

Withholding Tax (Employers):

- Wage Withholding - **Form CT-941, Connecticut Quarterly Reconciliation of Withholding**, for the 4th quarter is due January 31, 2024; **Form CT-W3, Connecticut Annual Reconciliation of Withholding**, along with federal Forms W-2 must be submitted by January 31, 2024.
- Non-Wage Withholding - **Form CT-945, Connecticut Annual Reconciliation of Withholding for Non Payroll Amounts**, is due January 31, 2024; **Form CT-1096, Connecticut Annual Summary and Transmittal of Information Returns**, along with federal Forms 1099 must be submitted by January 31, 2024.

Rental Surcharge Annual Report:

Only companies that rent pieces of machinery must file an annual consolidated report with DRS and remit payment. Effective January 1, 2018, the rental surcharge rate is 2.75% and **Form OP-383, Rental Surcharge Annual Report**, must be remitted by February 15, 2024.



Pass-Through Entity Tax:

Form CT-1065/CT-1120SI, Connecticut Pass-Through Entity Tax Return, is due on or before the fifteenth day of the third month following the close of the taxable year (March 15, 2024 for calendar year filers).

Income Tax:

Income Tax season is right around the corner! Taxpayers should start gathering all their year-end paperwork now! DRS will begin accepting electronically filed returns on January 16, 2024.

New Connecticut Income Tax Withholding Tables for wages paid on or after January 1, 2024, are now available. The new tables are included in **Informational Publication 2024(1), Employer's Tax Guide, Circular CT**. Click here for the new 2024 Connecticut Income Tax Withholding Tables: portal.ct.gov/-/media/DRS/Forms/2024/WTH/2024-Withholding-Tables.pdf.

Due to the changes in the income tax rates, taxpayers should review their **Form CT-W4P, Withholding Certificate for Pension or Annuity Payments**, on file with their pension administrator and consider whether any changes are necessary. If changes are necessary, a new Form CT-W4P would need to be submitted to their pension administrator. For further information on withholding requirements for the year 2024, visit the withholding page: portal.ct.gov/DRS/DRS-Forms/Current-Year-Forms/Withholding-Forms.

Trust and Estates:

Form CT-1041, *Connecticut Income Tax Return for Trusts and Estates*, is due on or before April 15, 2024. If the trust or estate is not a calendar year filer, the return is due no later than the fifteenth day of the fourth month following the close of the taxable year.

Estate and Gift Tax:

Estate tax – Resident and nonresident estates are liable for the Connecticut estate tax if the amount of their Connecticut taxable estate is more than \$12.92 million. **Form CT-706/709** for Connecticut estate tax must be filed no later than six months after the decedent's date of death unless an extension of time to file is requested.

Gift tax – For a Connecticut resident, the taxable gifts include real property or tangible personal property located in Connecticut as well as intangible personal property wherever located; **and**

For a nonresident of Connecticut, the taxable gifts include only real property or tangible personal property located in Connecticut.

In general, **Form CT-706/709**, *Connecticut Estate and Gift Tax Return*, is due on or before April 15 of the year following the year the gifts were made unless an extension for filing Form CT-706/709 is granted.

Sales and Use Tax:

Businesses must complete and file **Form OS-114**, *Connecticut Sales and Use Tax Return*, to report all sales activity in Connecticut, even if no sales were made or no tax is due. Both taxable and nontaxable sales must be reported in accordance with your monthly, quarterly, or annual filing frequency assigned by DRS. Form OS-114 is due on or before the last day of the month following the end of the filing period.

Helpful Tips for Taxpayers

Taxpayer Education Center - Tutorial video links to assist you in filing your Connecticut income tax.

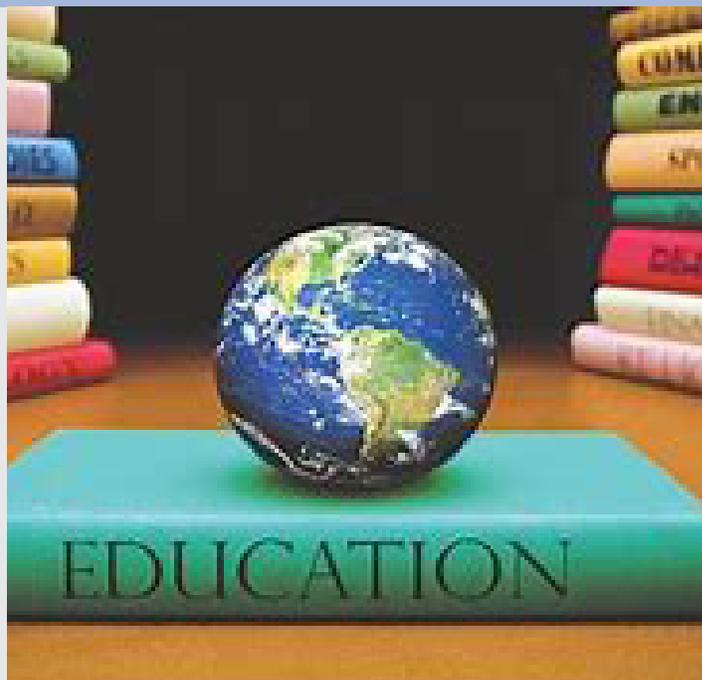
- [Helpful Hints to Prepare for the Upcoming Filing Season](#)
- [Paying CT Income Taxes](#)

What do taxpayers need to create an individual account on myconneCT?

Taxpayers can create a username and password by entering:

- Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN);
- Last name; and
- Federal Adjusted Gross Income from one of the most recent Connecticut income tax returns filed in the last three years; or
- A valid Connecticut driver's license or Connecticut non-driver ID (for taxpayers that have never filed a Connecticut income tax return).

The Department encourages electronic filing using **myconneCT** or by using a commercial third party software.



Prepared by the Education & Outreach Unit



Working in Partnership Together With You

The mission of the Department of Revenue Services is to instill public confidence in the integrity and fairness of tax collection; achieve the highest level of voluntary taxpayer compliance; continuously improve agency performance; contribute to the fiscal and economic well-being of the state; and provide a positive and professional workplace.