



## **Connecticut Department of Revenue Services Update and Initiatives**

**April 17, 2019  
6:00 p.m. – 8:30 p.m.**

**Quinnipiack Club  
New Haven, CT**

**CT Bar Institute, Inc.**

CT: 1.0 CLE Credit (General)  
NY: 1.0 CLE Credit (AOP)

## Lawyers' Principles of Professionalism

As a lawyer I must strive to make our system of justice work fairly and efficiently. In order to carry out that responsibility, not only will I comply with the letter and spirit of the disciplinary standards applicable to all lawyers, but I will also conduct myself in accordance with the following Principles of Professionalism when dealing with my client, opposing parties, their counsel, the courts and the general public.

Civility and courtesy are the hallmarks of professionalism and should not be equated with weakness;

I will endeavor to be courteous and civil, both in oral and in written communications;

I will not knowingly make statements of fact or of law that are untrue;

I will agree to reasonable requests for extensions of time or for waiver of procedural formalities when the legitimate interests of my client will not be adversely affected;

I will refrain from causing unreasonable delays;

I will endeavor to consult with opposing counsel before scheduling depositions and meetings and before rescheduling hearings, and I will cooperate with opposing counsel when scheduling changes are requested;

When scheduled hearings or depositions have to be canceled, I will notify opposing counsel, and if appropriate, the court (or other tribunal) as early as possible;

Before dates for hearings or trials are set, or if that is not feasible, immediately after such dates have been set, I will attempt to verify the availability of key participants and witnesses so that I can promptly notify the court (or other tribunal) and opposing counsel of any likely problem in that regard;

I will refrain from utilizing litigation or any other course of conduct to harass the opposing party;

I will refrain from engaging in excessive and abusive discovery, and I will comply with all reasonable discovery requests;

In depositions and other proceedings, and in negotiations, I will conduct myself with dignity, avoid making groundless objections and refrain from engaging in acts of rudeness or disrespect;

I will not serve motions and pleadings on the other party or counsel at such time or in such manner as will unfairly limit the other party's opportunity to respond;

In business transactions I will not quarrel over matters of form or style, but will concentrate on matters of substance and content;

I will be a vigorous and zealous advocate on behalf of my client, while recognizing, as an officer of the court, that excessive zeal may be detrimental to my client's interests as well as to the proper functioning of our system of justice;

While I must consider my client's decision concerning the objectives of the representation, I nevertheless will counsel my client that a willingness to initiate or engage in settlement discussions is consistent with zealous and effective representation;

Where consistent with my client's interests, I will communicate with opposing counsel in an effort to avoid litigation and to resolve litigation that has actually commenced;

I will withdraw voluntarily claims or defense when it becomes apparent that they do not have merit or are superfluous;

I will not file frivolous motions;

I will make every effort to agree with other counsel, as early as possible, on a voluntary exchange of information and on a plan for discovery;

I will attempt to resolve, by agreement, my objections to matters contained in my opponent's pleadings and discovery requests;

In civil matters, I will stipulate to facts as to which there is no genuine dispute;

I will endeavor to be punctual in attending court hearings, conferences, meetings and depositions;

I will at all times be candid with the court and its personnel;

I will remember that, in addition to commitment to my client's cause, my responsibilities as a lawyer include a devotion to the public good;

I will endeavor to keep myself current in the areas in which I practice and when necessary, will associate with, or refer my client to, counsel knowledgeable in another field of practice;

I will be mindful of the fact that, as a member of a self-regulating profession, it is incumbent on me to report violations by fellow lawyers as required by the Rules of Professional Conduct;

I will be mindful of the need to protect the image of the legal profession in the eyes of the public and will be so guided when considering methods and content of advertising;

I will be mindful that the law is a learned profession and that among its desirable goals are devotion to public service, improvement of administration of justice, and the contribution of uncompensated time and civic influence on behalf of those persons who cannot afford adequate legal assistance;

I will endeavor to ensure that all persons, regardless of race, age, gender, disability, national origin, religion, sexual orientation, color, or creed receive fair and equal treatment under the law, and will always conduct myself in such a way as to promote equality and justice for all.

It is understood that nothing in these Principles shall be deemed to supersede, supplement or in any way amend the Rules of Professional Conduct, alter existing standards of conduct against which lawyer conduct might be judged or become a basis for the imposition of civil liability of any kind.

*--Adopted by the Connecticut Bar Association House of Delegates on June 6, 1994*

**Event:**       **April 17, 2019 Tax Section Meeting**

Luke T. Tashjian, Chair

**Location:**   Quinnipiack Club, 221 Church Street, New Haven, CT

### **Program Agenda**

1. Registration 6:00 - 6:30 PM
2. Dinner 6:30 PM
3. Business Session 6:30 -7:00 PM:
  - a. Approval of last meeting minutes – **Lindsay LaCava**, Secretary/Treasurer
  - b. Treasurer report – **Lindsay LaCava**, Secretary/Treasurer
  - c. Subcommittee reports
4. CLE Session – *CT Dept. of Revenue Services Update and Initiatives* 7:00 – 8:00 PM
  - a. Introduction of **Louis Bucari, Jr.**, CT Dept. of Revenue Services
  - b. Presentation
  - c. Questions & Answers
5. Adjourn 8:30 PM

**Louis P. Bucari, Esq.**  
**First Assistant Commissioner & General Counsel**  
**Connecticut Department of Revenue Services**

Lou Bucari is the First Assistant Commissioner and General Counsel for the Connecticut Department of Revenue Services. Mr. Bucari has held this position since 2008. Prior to assuming his current position, he was an attorney with the Agency, serving in the Legal Division and as Director of the Litigation Division.

As First Assistant Commissioner and General Counsel, Mr. Bucari has direct oversight of the Department's Legal Services Bureau, which includes the Department's Appellate Division, the Department's Litigation & Collections Enforcement Unit, and the Department's Criminal Investigation Division.

Mr. Bucari has extensive experience litigating tax cases before the Connecticut Tax Court and the Connecticut Supreme Court. Mr. Bucari has also drafted numerous administrative pronouncements issued by the Department and has significant experience in legislative drafting. Mr. Bucari has spoken on state and local tax issues at numerous forums, including the Georgetown Law Advanced State and Local Tax Institute.

Mr. Bucari is admitted to practice law in Connecticut.

# Connecticut Department of Revenue Services Update and Initiatives

Presented to Connecticut Bar Association  
Tax Section Meeting  
April 17, 2019  
Lou Bucari, General Counsel  
Department of Revenue Services

Department of Revenue Services Update and Initiatives  
Overview of Discussion

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- Recent Administrative Developments
- Legislative update
- Litigation update
- Other Department initiatives

Department of Revenue Services Update and Initiatives  
Recent Administrative Developments

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- Governor Lamont appointed a new Deputy Commissioner – Bruce Adams, Esq.
  - New tax administration system – CTax
  - New Operations Bureau Chief – Phil Soucy
- \*\*Despite rumors to the contrary, John Kutsukos, Director of Audit, has not retired

Department of Revenue Services Update and Initiatives  
Legislative Update

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**Governor's Bill (SB No. 877)**

- Promoting a Better Environment
  - **Plastic Bag Surcharge**
    - Ten cent surcharge
    - Goal to reduce State's reliance on environmentally unfriendly plastic disposable bags
  - **Expand bottle deposit**
    - Reduce litter and lead to better recycling outcomes
    - Twenty-five cent deposit on wine and liquor bottles
    - Five cent deposit on 50 ml liquid containers



## Governor's Bill (SB No. 877)

- Promoting Health and Wellness
  - **Excise tax on electronic nicotine delivery systems**
    - Imposed a wholesale level
    - Seventy-five per cent of wholesale price
  - **Tax on sugar-sweetened beverages**
    - Adds a 1.5 cent per ounce tax to sugar-sweetened beverages

Department of Revenue Services Update and Initiatives  
Legislative Update

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**Governor's Bill (SB No. 877)**

- Targeted Tax Relief
  - Eliminates the Business Entity Tax
  - Expands of the property tax credit
  - Eliminates the Gift Tax
  - Continues the phase-in toward federal exemption level under the Estate Tax

Department of Revenue Services Update and Initiatives  
Legislative Update

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**Governor's Bill (SB No. 877)**

- Modernizing the Sales Tax
  - **Adds additional services**
    - Professional services – legal services, accounting services, interior design services, architectural services, engineering services, veterinary services, and real estate agent and broker services
    - Personal services – dry cleaning, barber shops, beauty salons, animal grooming and animal boarding services, travel arrangement and reservation services, and sports and recreation instruction services
  - **Repeals certain exemptions**
    - Renovation and repair of residential property
    - Non-prescription drugs
    - Motor vehicle trade-in allowance
    - Newspapers and magazines

Department of Revenue Services Update and Initiatives  
Legislative Update

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Department Proposals (SB No. 1090)

- Proposes changing the application of payments
- Eliminates the graduated penalty regime for late electronic payments
- Requires a business that receives a refund of state taxes to demonstrate to the Department that the customer has been made whole
- Modifies the Estate Tax to provide that property held in an entity will be considered to be owned by the individual, unless the entity has a specific business purpose

Department of Revenue Services Update and Initiatives  
Legislative Update

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Department Proposals (HB No. 7373)

- Proposes modification to the Pass-Through Entity Tax (notably proposes including guaranteed payments in income subject to the tax)
- Allows the Department to serve tax warrants by various electronic means
- Proposes raising the threshold for review by the Penalty Review Committee to \$5,000
- Clarifies and standardizes the time for taking an appeal to the Tax Court

## Department of Revenue Services Update and Initiatives

### Litigation Update

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#### Pending Court Cases

- ▶ **Connecticut Hospital Association, et al. v. Commissioner of Social Services and Commissioner of Revenue Services**, Docket No. HHB-CV16-6035321-S
  - ▶ Constitutionality of Hospital User Fee (sunset June 30, 2017)
  - ▶ Tax Court denied motion to dismiss
  - ▶ Status conference scheduled for May 15, 2019
- ▶ **Sobel v. Commissioner of Revenue Services**, Docket No. 10-6006195S (March 7, 2017)
  - ▶ Taxation of carried interest
  - ▶ Implications for hedge funds
  - ▶ To be argued before the Connecticut Supreme Court on April 30, 2019

Department of Revenue Services Update and Initiatives  
Other Department Initiatives

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- **Marketplace fairness**

- As of December 1, 2018, marketplace facilitators are required to collect and remit sales tax on sales made through their marketplace. Out-of-state sellers with at least \$250,000 in sales into Connecticut and more than 200 transactions will also be required to collect and remit sales tax.
- **OCG-4**, *Office of the Commissioner Guidance Regarding Marketplace Facilitators and Marketplace Sellers*
- Department's Audit Division has secured registration of 98% of the top 1,000 on-line retailers

Questions?

Thank You!