



STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

AN 2003(1)

25 Sigourney Street  
Hartford CT 06106-5032

ANNOUNCEMENT

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**Special Estimated Income Tax Rules for Individuals Affected by  
2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.)**

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**Purpose:** This Announcement alerts individuals required to make estimated Connecticut income tax payments for the 2002 taxable year that, if they were subject to interest because they underpaid their estimated tax for the 2002 taxable year, they may be entitled to a reduction in the interest if such underpayment, as calculated on 2002 **Form CT-2210, Underpayment of Estimated Income Tax by Individuals, Trusts, and Estates**, was created or increased by any provision of 2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.) and if such estimated Connecticut income tax payment was required to be made on or before July 15, 2002.

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**Effective Date:** August 15, 2002, and applicable to estimated Connecticut income tax payments required to be made on or before July 15, 2002 for the 2002 taxable year.

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**Statutory Authority:** 2002 Conn. Pub. Acts 4, §3 (May 9 Spec. Sess.).

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**Interest Not Assessed if Underpayment Created or Increased by any Provision of 2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.) and if Payment Required to be Made on or Before July 15, 2002:** 2002 Conn. Pub. Acts 4, §3 (May 9 Spec. Sess.) provides that individuals shall not be subject to interest on the underpayment of estimated Connecticut income tax under Conn. Gen. Stat. §12-722 to the extent any underpayment was created or increased by any provision of 2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.) **and** to the extent any estimated tax payment was required to be made on or before July 15, 2002.

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**Provisions of 2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.) That May Have Created or Increased an Underpayment of Estimated Income Tax:** The following provisions of 2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.) may have

caused an individual who would otherwise not have been subject to the underpayment of estimated income tax under Conn. Gen. Stat. §12-722 to be subject to this provision:

- Section 77, which requires, in the computation of Connecticut adjusted gross income, the adding back to federal adjusted gross income of the special federal 30% bonus depreciation allowance for certain assets placed in service after September 10, 2001 and before September 11, 2004 under I.R.C. §168(k); (See **Special Notice 2002(12), 2002 Legislative Changes for Income Tax**, for more information.)
- Section 78, which delays by 2 years the annual increase to the **single** filer personal exemption under Conn. Gen. Stat. §12-702;
- Section 79, which delays by 2 years the annual increase to the **single** filer personal credit under Conn. Gen. Stat. §12-703;
- Section 80, which delays by 2 years the annual increase to the **single** filer Connecticut adjusted gross income thresholds used to calculate the reduction in the property tax credit under Conn. Gen. Stat. §12-704c; **and**
- Section 81, which subjects **nonresidents** to the Connecticut income tax on winnings from a wager placed in a lottery conducted by the Connecticut Lottery Corporation, if the proceeds are required to be reported by the Connecticut Lottery Corporation to the Internal Revenue Service.

**Steps to Reduce or Eliminate the Underpayment Created or Increased by any Provision of 2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.):**

Individuals who determine that their underpayment shown in Part III of **2002 Form CT-2210** was created or increased by any provision of 2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.) must do the following to reduce or eliminate the underpayment upon which interest would otherwise be assessed:

- Compute their hypothetical 2002 Connecticut income tax liability. To do this, individuals must use a second 2002 Connecticut income tax return and compute their 2002 Connecticut income tax liability without taking into account any of the provisions of 2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.) that are described on page 1. (**Note for Single Filers Only:** When computing their hypothetical 2002 Connecticut income tax liability, single filers must use the 2002 Tax Calculation Schedule found in **2002 Form CT-1040ES**, *Estimated Connecticut Income Tax Payment Coupon for Individuals*.)
- Using a second **2002 Form CT-2210**, compute Parts II, III, and Schedule B of **2002 Form CT-2210**.
- Enter their hypothetical 2002 Connecticut income tax liability on the second **2002 Form CT-2210**, Part II, Line 1 and complete Lines 2 through 7. If Part II, Line 4 of the second **2002 Form CT-2210** is "0", stop and enter "0" on Part III, Line 17, Columns A and B, of the second **2002 Form CT-2210**.
- Enter the required annual payment from the second **2002 Form CT-2210**, Part II, Line 6 on Part III, Line 8, Columns A and B of the second **2002 Form CT-2210** and complete Lines 9 through 16.
- Enter the amounts from Worksheets A and B of Schedule B of the second **2002 Form CT-2210** on Part III, Line 17, Columns A and B of the second **2002 Form CT-2210**.
- Add the amounts from Part III, Line 17, Columns A and B of the second **2002 Form CT-2210** to Part III, Line 17, Columns C and D of the original **2002 Form CT-2210** and enter the result on the appropriate line of the actually-filed 2002 Connecticut income tax return.
- Enter the words "Special Estimated Tax for Individuals Affected by 2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.)" on **both** the original **2002 Form CT-2210** and the second **2002 Form CT-2210**.
- Check the box on the front of the actually-filed 2002 Connecticut income tax return indicating that the **2002 Form CT-2210** is attached.
- Attach both the original **2002 Form CT-2210** and the second **2002 Form CT-2210** to the actually-filed Connecticut income tax return.

**Effect on Other Documents:** The instructions to the **2002 Form CT-2210** are modified for individuals whose underpayment of estimated Connecticut income tax was created or increased by any provision of 2002 Conn. Pub. Acts 1 (May 9 Spec. Sess.).

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**Effect of This Document:** Announcements alert taxpayers to new developments (other than newly enacted or amended Connecticut or federal laws or newly released judicial decisions), including new administrative positions, policies, or practices.

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**Further Information:** Call DRS Monday through Friday:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere)

**TTY, TDD, and Text Telephone users only** may transmit inquiries 24 hours a day by calling 860-297-4911.

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**Forms and Publications:** Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: **www.drs.state.ct.us**
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone.

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**Paperless Filing Methods (fast, easy, free, and confidential):**

- **For business returns:** Use *Fast-File* to electronically file sales and use taxes, business use tax, room occupancy tax, or withholding tax returns over the internet or telephone. Visit the DRS Web site at: **www.drs.state.ct.us** and click on *Business Taxes Fast File Program*.
- **For resident income tax returns:** Use *WebFile* to file personal income tax returns over the Internet. Visit the DRS Web Site at: **www.drs.state.ct.us** and click on *Income Tax Web Filing*.