STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES
25 Sigourney St Ste 2
Hartford CT 06106-5032

IP 2009(31)

INFORMATIONAL PUBLICATION

# Attorney Occupational Tax and Client Security Fund Fee

**Purpose:** This Informational Publication answers frequently-asked questions about the attorney occupational tax and the client security fund fee.

**Effective Date:** For calendar years beginning on or after January 1, 2009.

**Statutory Authority:** Conn. Gen. Stat. §§12-30, 51-81b, and 51-81d.

## 1. Who is subject to the attorney occupational tax?

Any person **admitted as an attorney** by the judges of the Connecticut Superior Court and who **engaged in the practice of law in Connecticut** during the preceding calendar year is subject to the tax and required to file **Form 472**, *Attorney Occupational Tax Return*.

## 2. What does admitted as an attorney mean?

For attorney occupational tax purposes, being ***admitted as an attorney*** means that you were sworn in as an attorney by a judge of the Connecticut Superior Court. Being admitted as an attorney also includes being admitted:

- On motion and temporarily permitted to practice law in Connecticut; **or**
- *Pro hac vice* by the Superior Court, Appellate Court, or Connecticut Supreme Court to appear in a Connecticut state court proceeding.

## 3. What does being engaged in the practice of law in Connecticut mean?

For attorney occupational tax purposes, being ***engaged in the practice of law in Connecticut*** means performing any act in Connecticut considered to be the practice of law, as defined in Section 2-44A, *Definition of the Practice of Law*, of the Connecticut Practice Book, Superior Court Rules and Rules of Appellate Procedure.

You are engaged in the practice of law if you are employed by an employer that is not a law firm, such as an accounting firm or an insurance company, and you are employed as an attorney or being an attorney is a factor in your employment.

## 4. How do I report the attorney occupational tax and when is it due?

Use Form 472 to file and pay the attorney occupational tax. This return can be filed electronically through the Department of Revenue Services (DRS) **Taxpayer Service Center *(TSC)***. The ***TSC*** allows taxpayers to electronically file, pay, and manage state tax responsibilities. Visit **www.ct.gov/TSC** to make electronic transactions or administer your tax account online.

The return is due January 15 of each year whether or not tax is owed. If January 15 falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

## 5. How do I obtain Form 472?

Form 472 is mailed to all attorneys listed on the roll of attorneys maintained by the Superior Court. If you do not receive Form 472 by January 1, you may request one from DRS. You can also visit the DRS website at **www.ct.gov/DRS** to obtain a form. Failure to receive Form 472 does not relieve you from your obligation to file it on or before the due date.

## 6. What if I pay or file late?

If you are subject to the tax and pay late, the late payment penalty is $50. Interest accrues on late payments at the rate of 1% per month or fraction of a month from the due date. If you are exempt from the tax but file Form 472 late, a late filing penalty of $50 may be imposed.

Your return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of

service, is on or before the due date. Not all services provided by these designated PDSs qualify. See **Policy Statement 2008(3**), *Designated Private Delivery Services and Designated Types of Service.*

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### 7. What is the amount of the attorney occupational tax?

The attorney occupational tax is $565 per calendar year. If you were admitted as an attorney and engaged in the practice of law in Connecticut but not for the entire calendar year, the tax due is $565. **No proration** of the tax is authorized. If you were admitted as an attorney and engaged in the practice of law in Connecticut for the entire calendar year, and were subject to tax for part of the year and exempt from the tax for the rest of the year, the tax due is $565.

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### 8. Is a person who is an authorized house counsel under Section 2-15A, *Authorized House Counsel*, of the Connecticut Practice Book, Superior Court Rules and Rules of Appellate Procedure, subject to the attorney occupational tax?

Yes. A person who is an authorized house counsel is subject to the attorney occupational tax and is required to file Form 472 because he or she is both admitted as an attorney under Section 2-15A by the Superior Court and engaged in the practice of law in Connecticut. Under Section 2-15A, effective January 1, 2008, a person who wishes to be certified as authorized house counsel is required to file an application with the Bar Examining Committee. Upon recommendation of the Bar Examining Committee, the Superior Court may certify the applicant as authorized house counsel.

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### 9. Is a person who is authorized to provide legal services on a temporary basis in Connecticut under subparagraph (c)(3) or (4) of Rule 5.5, *Unauthorized Practice of Law*, of the Connecticut Practice Book, Rules of Professional Conduct, subject to the attorney occupational tax?

No. Although a person authorized to provide legal services on a temporary basis in Connecticut under subparagraph (c)(3) or (4) of Rule 5.5 is engaged in the practice of law in Connecticut, he or she is not admitted as an attorney by the judges of the Superior Court and, therefore, is not subject to the attorney occupational tax and is not required to file Form 472.

Subparagraphs (c)(3) and (4) of Rule 5.5 are effective January 1, 2008. A person wishing to obtain the privileges described in subparagraph (c)(3) or (4) of Rule 5.5 is required to notify the Statewide Bar Counsel.

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### 10. Who is exempt from the attorney occupational tax?

Even if you were admitted as an attorney and were engaged in the practice of law in Connecticut, you may be exempt from the tax if one of the following exemptions applies to you. Form 472 must be filed on or before the due date even if you claim one of the following exemptions.

**A. Your name was removed from the roll of attorneys maintained by the Clerk of the Superior Court for the Judicial District of Hartford.** If your name was removed from the roll anytime during the calendar year, even on December 31, you are exempt from the tax for that year.

Attorneys who die are considered to have had their names removed from the roll as of the date of death and are exempt for the calendar year during which their death occurs.

Attorneys who are disbarred are considered removed from the roll and exempt for the calendar year disbarment occurs. A disbarred attorney who is subsequently readmitted to practice law in Connecticut is subject to the tax for the year the readmission occurs.

Attorneys suspended from the practice of law for a definite period are not considered removed from the roll and are subject to the tax.

**B. You engaged in the practice of law in Connecticut, but not as an occupation, and received less than $450 from the practice of law in Connecticut.** The requirements of this exemption are conjunctive. You must have been **engaged in the practice of law in Connecticut, but not as an occupation**, and the compensation you received from the practice of law in Connecticut must have been less than $450 during the calendar year.

***Engaged in the practice of law, but not as an occupation***, means you are primarily engaged in an occupation other than law and being an attorney is not a factor in your employment. For example, you may have been employed as a school teacher, physician, or law enforcement officer while admitted as an attorney in Connecticut. If you were employed in an occupation other than law and you received less than $450 from performing legal work, you qualify for the exemption.

If you engaged in the practice of law in Connecticut as an occupation, you do not qualify for this exemption even if you received less than $450 during the calendar year from the practice of law in Connecticut.

**C. You were a judge, senior judge, or referee and did not otherwise engage in the practice of law in Connecticut.** This exemption applies to all Connecticut state court judges including family support magistrates authorized under Conn. Gen. Stat. §46b-231, magistrates appointed under Conn. Gen. Stat. §51-193*l* et seq., probate court judges, and federal judges who worked exclusively as judges or magistrates and did not otherwise engage in the practice of law in Connecticut during the calendar year.

**D. You were a Connecticut state employee employed as an attorney and did not otherwise engage in the practice of law in Connecticut.** This exemption applies only if you were a Connecticut state employee employed as an attorney for the entire year, or for the entire portion of the year during which you were admitted to practice in Connecticut, and did not otherwise engage in the practice of law in Connecticut during the calendar year.

If you worked as a contractor or vendor to the State of Connecticut, such as a per diem advocate for the Juvenile Court or a special public defender, you were not a state employee for purposes of this exemption. Employees of the Probate Court Administrator are state employees for purposes of this exemption. Employees of a Connecticut Probate Court, see Exemption G.

If you were employed by the State of Connecticut, but not as an attorney, you do not qualify for this exemption.

**E. You were a federal government employee employed as an attorney and did not otherwise engage in the practice of law in Connecticut.** This exemption applies only if you were a federal government employee employed as an attorney by the federal government for the entire calendar year, or for the entire portion of the year during which you were admitted to practice in Connecticut, and did not otherwise engage in the practice of law in Connecticut during the calendar year.

If you were employed by the federal government, but not as an attorney, you do not qualify for this exemption.

**F. You were an employee of a Connecticut political subdivision employed as an attorney and did not otherwise engage in the practice of law in Connecticut.** This exemption applies only if you were a Connecticut political subdivision employee employed as an attorney for the entire year or for the entire portion of the year during which you were admitted to practice in Connecticut and did not otherwise engage in the practice of law in Connecticut during the calendar year.

If you worked as a contractor or vendor to a Connecticut political subdivision, you were not an employee of a Connecticut political subdivision for purposes of this exemption.

A Connecticut political subdivision is any Connecticut city or town, any tax district within a Connecticut city or town, or any district comprised of two or more Connecticut cities or towns.

**G. You were an employee of a Connecticut Probate Court, employed as an attorney, and did not otherwise engage in the practice of law in Connecticut.** This exemption applies only if you were a Connecticut Probate Court employee employed as an attorney for the entire year, or for the entire portion of the year during which you were admitted to practice in Connecticut, and did not otherwise engage in the practice of law in Connecticut during the calendar year.

If you worked as a contractor or vendor to a Connecticut Probate Court, you were not an employee of a Connecticut Probate Court for purposes of this exemption.

**H. You engaged in the practice of law exclusively outside Connecticut.** This exemption does not apply if you performed any act in Connecticut that is considered to be the practice of law, as defined in Section 2-44A of the Connecticut Practice Book, during the calendar year. This is true whether or not you received remuneration for the act or the act was connected with your employment as an attorney outside Connecticut.

Examples of acts considered to be the practice of law in Connecticut include but are not limited to:

- Entering an appearance in a case in Connecticut court or Connecticut federal district court;
- Meeting with a client in Connecticut; **or**
- Witnessing a document or taking an acknowledgment as a Commissioner of the Superior Court in Connecticut.

This exemption does not apply to any person authorized to provide legal services on a temporary basis in Connecticut under subparagraph (c)(3) or (4) of Rule 5.5, *Unauthorized Practice of Law*, of the Connecticut Practice Book, Rules of Professional Conduct. Any such person is not subject to the attorney occupational tax and is not required to file Form 472. See *Question 9* on Page 2.

**I. You did not work, or were not employed as an attorney in Connecticut.** This exemption applies only if you did not work, or were not employed as an attorney in Connecticut, and performed no act in Connecticut in your capacity as an attorney during the calendar year.

**J. You were on active duty with the U.S. armed forces for more than six months during the calendar year.** You may claim this exemption even if you were otherwise engaged in the practice of law in Connecticut during the portion of the calendar year when you were not on active duty.

**K. You retired from the practice of law.** This exemption applies if you were placed on retirement status **at any time** during the calendar year and filed a written notice of retirement with the Clerk of the Superior Court for the Judicial District of Hartford. For example, if you were placed on retirement status on December 31, you may claim the exemption for the entire calendar year if you notified the Clerk of the Superior Court for the Judicial District of Hartford of your retirement in writing. Complete Form JD-CL-68, Attorney Retirement-Written Notice, and return the original and two copies to the Clerk's Office. The form is effective the date it is filed with the Clerk's Office. To obtain Form JD-CL-68:

- Call the Clerk's Office at **860-548-2700, Ext. 3723**;
- Call the Office of the Client Security Fund Committee at **860-568-3450**; **or**
- Download it from the Judicial Branch's website at **www.jud.ct.gov**.

You are not required to file a written notice of retirement when you retire from the practice of law; however, if you do not do so, you do not qualify for this exemption.

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### 11. If I am otherwise exempt from the attorney occupational tax, does performing pro bono legal services affect my exempt status?

If you are otherwise exempt from the attorney occupational tax, performing pro bono legal services in Connecticut for no consideration, rather than for reduced consideration, does not change your exempt status.

For example, an attorney who is admitted as an attorney in New York and Connecticut, and who is engaged in the practice of law exclusively in New York except for performing pro bono legal services in Connecticut, is not subject to the tax.

Providing free legal services to friends or relatives is not considered pro bono work.

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### 12. What if my address changes?

If your address changes, you should notify both DRS and the Statewide Grievance Committee. Notifying only DRS does not constitute compliance with Section 2-26 or 2-27(d) of the Connecticut Practice Book.

To change your address with DRS, fax a written notice of the change including your Connecticut Tax Registration Number (not your juris number or Social Security Number) as it appears on Form 472 to **860-297-4757**, or mail the notice to:

Department of Revenue Services
Registration, Maintenance Unit
PO Box 2937
Hartford CT 06104-2937

You may also change your address using the ***TSC*** at **www.ct.gov/TSC**. Enter your Connecticut Tax Registration Number and follow the prompts to complete the process.

To change your address with the Statewide Grievance Committee, make the changes online through Judicial Branch E-Services or download Form JD-GC-10, Attorney Registration—Change of Information, from the Judicial branch website at **www.jud.ct.gov**. Form JD-GC-9, Attorney Registration, which is sent to you annually by the Statewide Grievance Committee, also contains space to indicate your change of address. Contact the Statewide Grievance Committee with questions about Form JD-GC-9 by sending an email to attorney.registration@jud.ct.gov or by calling **860-568-5157**.

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### 13. How do I obtain a juris number?

The Judicial Branch assigns and mails your juris number to you after you have been sworn in to the bar. You can inquire about your juris number by:

- **Internet:** Visit the Judicial Branch website at **http://www.jud2.ct.gov/Civil_Inquiry/GetAtty.asp**;
- **Telephone:** Call the Statewide Grievance Committee at **860-568-5157**; **or**
- **Email:** Statewide.Grievance@jud.ct.gov.

Do not call DRS to obtain your juris number.

### 14. What is the Client Security Fund?

The Client Security Fund was established by the judges of the Superior Court to promote public confidence in the judicial system and the integrity of the legal profession. The fund reimburses clients for losses resulting from dishonest conduct, as defined in Section 2-69 of the Connecticut Practice Book, of attorneys practicing law in Connecticut. Each attorney admitted to practice law in Connecticut and each judge, judge trial referee, state referee, family support magistrate, family support referee, and workers compensation commissioner must pay an annual fee to finance the Client Security Fund. See Section 2-70 of the Connecticut Practice Book.

The fee amount is established by the judges of the Superior Court based on the analysis and recommendation of the Client Security Fund Committee. Currently, the fee is $110.

For more information, contact the Office of the Client Security Fund Committee by:

- **Email:** Security.Fund@jud.ct.gov;
- **Telephone: 860-568-3450**; **or**
- **Internet:** *Frequently Asked Questions* **www.jud.ct.gov/CSF/FAQ.htm#FundFee**.

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### 15. If I am exempt from the attorney occupational tax, am I exempt from the Client Security Fund fee?

No. You may be exempt from the attorney occupational tax but not exempt from the Client Security Fund fee.

You are exempt from the Client Security Fund fee if during the calendar year for which the fee is assessed you:

- Served on active duty in the armed forces of the United States for a period of more than six months;
- Retired from the practice of law by filing the notice, with the Clerk of the Superior Court for the Judicial District of Hartford, required by Section 2-55 of the Connecticut Practice Book;
- Resigned from the bar; **or**
- Were disbarred.

If during the calendar year for which the fee is assessed you do not engage in the practice of law in Connecticut as an occupation and receive less than $450 in legal fees or other compensation for services involving the practice of law in Connecticut, you are partially exempt from the client security fund fee and you are required to pay one-half of the fee amount. To claim the full or partial exemption, file Form JD-GC-14E, Claim of Exemption. You may download this form from the Judicial Branch website at **www.jud.ct.gov**.

### 16. Is a person who is an authorized house counsel under Section 2-15A of the Connecticut Practice Book subject to the Client Security Fund fee?

Yes. See subparagraph (d)(3) of §2-15A.

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### 17. Is a person who is authorized to provide legal services on a temporary basis in Connecticut under subparagraph (c)(3) or (4) of Rule 5.5 of the Connecticut Practice Book, Rules of Professional Conduct, subject to the Client Security Fund Fee?

No.

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**Effect on Other Documents:** This **Informational Publication 2009(31)**, *Attorney Occupational Tax and Client Security Fund Fee*, modifies and supersedes **Informational Publication 2007(17)**, *Attorney Occupational Tax and Client Security Fund Fee*, which may no longer be relied upon on after the issuance date of this publication.

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**Effect of This Document:** An Informational Publication issued by the DRS addresses frequently-asked questions about a current position, policy, or practice, usually in a less technical question and answer format.

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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.

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

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