

Sec. 12-728(a)-2. Penalties on deficiency assessments

(a) A penalty of 10% shall be imposed on the amount of any deficiency assessment in the case of negligence or intentional disregard of the provisions of the Income Tax Act or any rule or regulation adopted thereunder. In the case of fraud or intent to evade the provisions of said Act, rules or regulations, the penalty shall be 25% of the amount of the deficiency assessment.

(b) No person shall be subject to more than one penalty under subsection (a) of this section in relation to the same tax period. Thus, the 10% penalty and the 25% penalty may not be aggregated; however, nothing in this section shall be construed to prohibit the Commissioner from substituting one penalty for another prior to the issuance of a final determination pursuant to Section 12-729 of the general statutes, should the facts and circumstances warrant such a change.

(c) While this section pertains to Section 12-728(a) of the general statutes, for purposes of supplementary interpretation, as the phrase is used in Section 12-2 of the general statutes, the adoption of this section is authorized by Section 12-740(a) of the general statutes.

(Effective November 18, 1994)