

**Sec. 12-708-7. Change of accounting method**

(a) A person may not change the method of accounting for Connecticut income tax purposes unless a similar change has been made for federal income tax purposes, except where the person does not have a method of accounting for federal income tax purposes.

(b) If the method of accounting is changed for federal income tax purposes, the method of accounting for Connecticut income tax purposes shall be similarly changed, without application to the Commissioner, but a copy of the consent of the Commissioner of Internal Revenue to the change shall be attached to the first Connecticut income tax return filed under the new method, together with the statement required pursuant to §§ 12-708-8(c) and 12-708-9(d) of this Part.

(c) Where a person does not have a method of accounting for federal income tax purposes, an application for permission to change a method of accounting shall be made to the Commissioner within 180 days after the beginning of the taxable period to which the proposed change shall relate. Such application shall be accompanied by a statement specifying the nature of the person's business, if any, the present method of accounting, the method to which such person desires to change, the taxable year in which the change is to be effected, the classes of items to receive different treatment under the new system, and all items which would be duplicated or omitted as a result of the proposed change. If such person later adopts a method of accounting for federal income tax purposes which differs from the method for Connecticut income tax purposes, the person shall conform the method of accounting for Connecticut income tax purposes to the method of accounting for federal income tax purposes.

(d) While this section pertains to Section 12-708 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)