



General Assembly

January Session, 2005

Raised Bill No. 6973

LCO No. 4939

04939_____FIN

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

AN ACT CONCERNING REPORTING REQUIREMENTS FOR TAX EXPENDITURES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage and applicable to income years*
2 *commencing January 1, 2005*) (a) Not later than January 1, 2006, and
3 annually thereafter, the Commissioner of Revenue Services shall
4 submit, in accordance with the provisions of section 11-4a of the
5 general statutes, a report to the joint standing committee of the General
6 Assembly having cognizance of matters relating to finance, revenue
7 and bonding, which shall provide information with respect to the
8 exemptions and tax credit or tax credit refund programs listed in
9 subsection (b) of this section. Such report shall include the following
10 information: (1) A list of the names, addresses and locations of all
11 recipients of each such exemption, tax credit or tax credit refund; and
12 (2) for each such recipient: (A) The business activities, (B) the amount
13 of income apportioned to this state and the taxes paid on such income,
14 (C) the exemption and the amount of such exemption, the tax credit
15 and amount of such credit taken, or the tax credit refund and the
16 amount of such refund, (D) the gross revenues during the recipient's

17 most recent fiscal year, (E) the number of employees, both full-time
18 and part-time, at the time of use of such exemption, credit or credit
19 refund, (F) whether the recipient is a minority or woman-owned
20 business, (G) any job creation or retention resulting from the use of
21 such exemption, credit or credit refund, (H) new or increased revenues
22 to the state or local tax base due to use of such exemption, credit or
23 credit refund, and (I) the amount of investments from private and
24 other nonstate sources, if any, that have been leveraged by such
25 exemption, credit or credit refund. The report shall include a summary
26 of the exemptions, tax credits and tax credit refunds granted, and
27 recommendations for legislation to promote the purposes of such
28 exemptions, tax credits or tax credit refunds.

29 (b) The exemptions and tax credit and tax credit refund programs to
30 be included in the report required pursuant to subsection (a) of this
31 section are those established pursuant to subparagraphs (B) and (C) of
32 subdivision (9) of subsection (a) of section 12-213 of the general
33 statutes, subparagraph (D) of subdivision (1) of subsection (a) of
34 section 12-217 of the general statutes, subparagraphs (A) and (B) of
35 subdivision (4) of subsection (a) of section 12-217 of the general
36 statutes, sections 12-217e, 12-217g, 12-217i, 12-217j, 12-217l, 12-217n to
37 12-217p, inclusive, 12-217s to 12-217y, inclusive, and 12-217bb to 12-
38 217ff, inclusive, of the general statutes.

39 Sec. 2. Subsection (b) of section 12-15 of the general statutes is
40 repealed and the following is substituted in lieu thereof (*Effective from*
41 *passage and applicable to income years commencing January 1, 2005*):

42 (b) The commissioner may disclose (1) returns or return information
43 to (A) an authorized representative of another state agency or office,
44 upon written request by the head of such agency or office, when
45 required in the course of duty or when there is reasonable cause to
46 believe that any state law is being violated, or (B) an authorized
47 representative of an agency or office of the United States, upon written
48 request by the head of such agency or office, when required in the

49 course of duty or when there is reasonable cause to believe that any
50 federal law is being violated, provided no such agency or office shall
51 disclose such returns or return information, other than in a judicial or
52 administrative proceeding to which such agency or office is a party
53 pertaining to the enforcement of state or federal law, as the case may
54 be, in a form which can be associated with, or otherwise identify,
55 directly or indirectly, a particular taxpayer except that the names and
56 addresses of jurors or potential jurors and the fact that the names were
57 derived from the list of taxpayers pursuant to chapter 884 may be
58 disclosed by the judicial branch; (2) returns or return information to
59 the Auditors of Public Accounts, when required in the course of duty
60 under chapter 23; (3) returns or return information to tax officers of
61 another state or of a Canadian province or of a political subdivision of
62 such other state or province or of the District of Columbia or to any
63 officer of the United States Treasury Department or the United States
64 Department of Health and Human Services, authorized for such
65 purpose in accordance with an agreement between this state and such
66 other state, province, political subdivision, the District of Columbia or
67 department, respectively, when required in the administration of taxes
68 imposed under the laws of such other state, province, political
69 subdivision, the District of Columbia or the United States, respectively,
70 and when a reciprocal arrangement exists; (4) returns or return
71 information in any action, case or proceeding in any court of
72 competent jurisdiction, when the commissioner or any other state
73 department or agency is a party, and when such information is directly
74 involved in such action, case or proceeding; (5) returns or return
75 information to a taxpayer or its authorized representative, upon
76 written request for a return filed by or return information on such
77 taxpayer; (6) returns or return information to a successor, receiver,
78 trustee, executor, administrator, assignee, guardian or guarantor of a
79 taxpayer, when such person establishes, to the satisfaction of the
80 commissioner, that such person has a material interest which will be
81 affected by information contained in such returns or return
82 information; (7) information to the assessor or an authorized

83 representative of the chief executive officer of a Connecticut
84 municipality, when the information disclosed is limited to (A) a list of
85 real or personal property that is or may be subject to property taxes in
86 such municipality, or (B) a list containing the name of each person who
87 is issued any license, permit or certificate which is required, under the
88 provisions of this title, to be conspicuously displayed and whose
89 address is in such municipality; (8) real estate conveyance tax return
90 information or controlling interest transfer tax return information to
91 the town clerk or an authorized representative of the chief executive
92 officer of a Connecticut municipality to which the information relates;
93 (9) estate tax returns and estate tax return information to the Probate
94 Court Administrator or to the court of probate for the district within
95 which a decedent resided at the date of the decedent's death, or within
96 which the commissioner contends that a decedent resided at the date
97 of the decedent's death or, if a decedent died a nonresident of this
98 state, in the court of probate for the district within which real estate or
99 tangible personal property of the decedent is situated, or within which
100 the commissioner contends that real estate or tangible personal
101 property of the decedent is situated; (10) returns or return information
102 to the Secretary of the Office of Policy and Management for purposes
103 of subsection (b) of section 12-7a; (11) return information to the Jury
104 Administrator, when the information disclosed is limited to the names,
105 addresses, federal Social Security numbers and dates of birth, if
106 available, of residents of this state, as defined in subdivision (1) of
107 subsection (a) of section 12-701; (12) pursuant to regulations adopted
108 by the commissioner, returns or return information to any person to
109 the extent necessary in connection with the processing, storage,
110 transmission or reproduction of such returns or return information,
111 and the programming, maintenance, repair, testing or procurement of
112 equipment, or the providing of other services, for purposes of tax
113 administration; (13) without written request and unless the
114 commissioner determines that disclosure would identify a confidential
115 informant or seriously impair a civil or criminal tax investigation,
116 returns and return information which may constitute evidence of a

117 violation of any civil or criminal law of this state or the United States to
 118 the extent necessary to apprise the head of such agency or office
 119 charged with the responsibility of enforcing such law, in which event
 120 the head of such agency or office may disclose such return information
 121 to officers and employees of such agency or office to the extent
 122 necessary to enforce such law; (14) names and addresses of operators,
 123 as defined in section 12-407, to tourism districts, as defined in section
 124 10-397; (15) names of each licensed dealer, as defined in section 12-285,
 125 and the location of the premises covered by the dealer's license; [and]
 126 (16) to a tobacco product manufacturer that places funds into escrow
 127 pursuant to the provisions of subsection (a) of section 4-28i, return
 128 information of a distributor licensed under the provisions of chapter
 129 214 or chapter 214a, provided the information disclosed is limited to
 130 information relating to such manufacturer's sales to consumers within
 131 this state, whether directly or through a distributor, dealer or similar
 132 intermediary or intermediaries, of cigarettes, as defined in section 4-
 133 28h, and further provided there is reasonable cause to believe that such
 134 manufacturer is not in compliance with section 4-28i; and (17) return
 135 information for purposes of section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to income years commencing January 1, 2005</i>	New section
Sec. 2	<i>from passage and applicable to income years commencing January 1, 2005</i>	12-15(b)

Statement of Purpose:

To require the Department of Revenue Services to provide a report on tax expenditures made through use of tax credits and tax credit refunds for businesses.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]