



General Assembly

February Session, 2006

Raised Bill No. 700

LCO No. 3391

03391_____FIN

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

AN ACT CONCERNING THE REPORTING OF CERTAIN TAX DATA.

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

1 Section 1. Subsection (a) of section 12-7b of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2006*):

4 (a) The Commissioner of Revenue Services shall, annually on or
5 before the thirty-first day of December, submit to the legislative Office
6 of Fiscal Analysis a report concerning certain state tax data, applicable
7 with respect to the state fiscal year ending on the thirtieth day of June
8 immediately preceding, as follows: [(a)]

9 (1) Sales and use tax data, including [(1)] (A) gross receipts subject
10 to sales tax, stated separately in relation to sales of [(A)] (i) any tangible
11 personal property, [(B)] (ii) the leasing or rental of tangible personal
12 property, and [(C)] (iii) the rendering of any services subject to said
13 tax, [(2)] (B) total revenue loss related to each of the separate
14 provisions for exemption under chapter 219, and [(3)] (C) total amount
15 of tax collected with respect to each of the industrial classifications
16 included in the Standard Industrial Classification Code in current use

17 for purposes of certain statistical data by the Commissioner of
18 Revenue Services; [(b) corporation]

19 (2) Corporation business tax data, including [(1)] (A) total net
20 income and total net income apportioned to Connecticut for the most
21 current income years with respect to which final data is available at the
22 time of each such report, [(2)] (B) amount of depreciation not allowed
23 as a deduction in determining net income for purposes of said tax, [(3)]
24 (C) operating loss carry-overs, [(4)] (D) credits and refunds, separately
25 stated, for overpayments of taxes due in prior years and to be
26 applicable to the most current income years with respect to which final
27 data is available at the time of each such report, [(5)] (E) number of
28 accounts and total corporation tax attributable to determination in
29 accordance with [(A)] (i) net income tax base, [(B)] (ii) the minimum
30 tax base provisions under section 12-219, as amended, and [(C)] (iii) S
31 corporation filings, and [(6)] (F) total corporation tax attributable to
32 each of the industrial classifications included in the Standard
33 Industrial Classification Code in current use for purposes of certain
34 statistical data by the Commissioner of Revenue Services; [(c)
35 succession]

36 (3) Succession and transfer tax data, including [(1)] (A) total taxes
37 collected and the number of taxpayers under each of the classes of
38 beneficiaries as described in section 12-344, as amended, and [(2)] (B)
39 the total value of the net taxable estates with respect to each of said
40 classes of beneficiaries; [(d) personal]

41 (4) Personal income tax data, including [(1)] (A) all components of
42 and adjustments to federal gross income, federal adjusted gross
43 income and federal taxable income, separately stated, of Connecticut
44 taxpayers, sorted into ten-thousand-dollar increments of federal
45 adjusted gross income up to and including one hundred thousand
46 dollars, into twenty-five-thousand-dollar increments of federal
47 adjusted gross income from over one hundred thousand dollars up to
48 and including two hundred thousand dollars and into one increment

49 over two hundred thousand dollars of federal adjusted gross income,
50 as derived from federal income tax returns, and [(2)] (B) all
51 components of and adjustments to Connecticut adjusted gross income
52 and Connecticut taxable income, separately stated, of Connecticut
53 taxpayers, sorted into ten-thousand-dollar increments of Connecticut
54 adjusted gross income up to and including one hundred thousand
55 dollars, into twenty-five-thousand-dollar increments of Connecticut
56 adjusted gross income from over one hundred thousand dollars up to
57 and including two hundred thousand dollars and into one increment
58 over two hundred thousand dollars of Connecticut adjusted gross
59 income, as derived from state personal income tax returns; [(e)
60 admissions]

61 (5) Admissions, cabaret and dues tax data, including the number of
62 taxpayers and the total amount of tax collected, stated separately with
63 respect to each of the taxes imposed under chapter 225; [(f) real]

64 (6) Real estate conveyance tax data, including [(1)] (A) the number
65 of taxable transfers and the total amount of revenue, and [(2)] (B) the
66 amount of revenue attributable to categories of purchase price for such
67 transfers of real estate, as follows: [(A)] (i) Under thirty thousand
68 dollars, [(B)] (ii) brackets of ten thousand dollars each from thirty
69 thousand dollars up to two hundred thousand dollars, and [(C)] (iii)
70 two hundred thousand dollars and over; [(g) data]

71 (7) Return information, as defined pursuant to subdivision (2) of
72 subsection (h) of section 12-15, provided such information shall be
73 submitted in a form which cannot be associated with, or otherwise
74 identify, directly or indirectly, a particular taxpayer; and

75 (8) Data applicable to any state tax not included in subdivisions [(a)
76 to (f)] (1) to (7), inclusive, of this section, including totals applicable to
77 each such tax for [(1)] (A) number of taxpayers, [(2)] (B) payments in
78 accordance with applicable penalty provisions for delinquency, and
79 [(3)] (C) taxes collected which became due in the preceding fiscal year.

80 Sec. 2. Subsection (b) of section 12-15 of the 2006 supplement to the
81 general statutes is repealed and the following is substituted in lieu
82 thereof (*Effective July 1, 2006*):

83 (b) The commissioner may disclose (1) returns or return information
84 to (A) an authorized representative of another state agency or office,
85 upon written request by the head of such agency or office, when
86 required in the course of duty or when there is reasonable cause to
87 believe that any state law is being violated, or (B) an authorized
88 representative of an agency or office of the United States, upon written
89 request by the head of such agency or office, when required in the
90 course of duty or when there is reasonable cause to believe that any
91 federal law is being violated, provided no such agency or office shall
92 disclose such returns or return information, other than in a judicial or
93 administrative proceeding to which such agency or office is a party
94 pertaining to the enforcement of state or federal law, as the case may
95 be, in a form which can be associated with, or otherwise identify,
96 directly or indirectly, a particular taxpayer except that the names and
97 addresses of jurors or potential jurors and the fact that the names were
98 derived from the list of taxpayers pursuant to chapter 884 may be
99 disclosed by the judicial branch; (2) returns or return information to
100 the Auditors of Public Accounts, when required in the course of duty
101 under chapter 23; (3) returns or return information to tax officers of
102 another state or of a Canadian province or of a political subdivision of
103 such other state or province or of the District of Columbia or to any
104 officer of the United States Treasury Department or the United States
105 Department of Health and Human Services, authorized for such
106 purpose in accordance with an agreement between this state and such
107 other state, province, political subdivision, the District of Columbia or
108 department, respectively, when required in the administration of taxes
109 imposed under the laws of such other state, province, political
110 subdivision, the District of Columbia or the United States, respectively,
111 and when a reciprocal arrangement exists; (4) returns or return
112 information in any action, case or proceeding in any court of
113 competent jurisdiction, when the commissioner or any other state

114 department or agency is a party, and when such information is directly
115 involved in such action, case or proceeding; (5) returns or return
116 information to a taxpayer or its authorized representative, upon
117 written request for a return filed by or return information on such
118 taxpayer; (6) returns or return information to a successor, receiver,
119 trustee, executor, administrator, assignee, guardian or guarantor of a
120 taxpayer, when such person establishes, to the satisfaction of the
121 commissioner, that such person has a material interest which will be
122 affected by information contained in such returns or return
123 information; (7) information to the assessor or an authorized
124 representative of the chief executive officer of a Connecticut
125 municipality, when the information disclosed is limited to (A) a list of
126 real or personal property that is or may be subject to property taxes in
127 such municipality, or (B) a list containing the name of each person who
128 is issued any license, permit or certificate which is required, under the
129 provisions of this title, to be conspicuously displayed and whose
130 address is in such municipality; (8) real estate conveyance tax return
131 information or controlling interest transfer tax return information to
132 the town clerk or an authorized representative of the chief executive
133 officer of a Connecticut municipality to which the information relates;
134 (9) estate tax returns and estate tax return information to the Probate
135 Court Administrator or to the court of probate for the district within
136 which a decedent resided at the date of the decedent's death, or within
137 which the commissioner contends that a decedent resided at the date
138 of the decedent's death or, if a decedent died a nonresident of this
139 state, in the court of probate for the district within which real estate or
140 tangible personal property of the decedent is situated, or within which
141 the commissioner contends that real estate or tangible personal
142 property of the decedent is situated; (10) returns or return information
143 to the (A) Secretary of the Office of Policy and Management for
144 purposes of subsection (b) of section 12-7a, and (B) Office of Fiscal
145 Analysis for purposes of subsection (a) of section 12-7b, as amended by
146 this act; (11) return information to the Jury Administrator, when the
147 information disclosed is limited to the names, addresses, federal Social

148 Security numbers and dates of birth, if available, of residents of this
149 state, as defined in subdivision (1) of subsection (a) of section 12-701,
150 as amended; (12) pursuant to regulations adopted by the
151 commissioner, returns or return information to any person to the
152 extent necessary in connection with the processing, storage,
153 transmission or reproduction of such returns or return information,
154 and the programming, maintenance, repair, testing or procurement of
155 equipment, or the providing of other services, for purposes of tax
156 administration; (13) without written request and unless the
157 commissioner determines that disclosure would identify a confidential
158 informant or seriously impair a civil or criminal tax investigation,
159 returns and return information which may constitute evidence of a
160 violation of any civil or criminal law of this state or the United States to
161 the extent necessary to apprise the head of such agency or office
162 charged with the responsibility of enforcing such law, in which event
163 the head of such agency or office may disclose such return information
164 to officers and employees of such agency or office to the extent
165 necessary to enforce such law; (14) names and addresses of operators,
166 as defined in section 12-407, as amended, to tourism districts, as
167 defined in section 10-397; (15) names of each licensed dealer, as
168 defined in section 12-285, and the location of the premises covered by
169 the dealer's license; (16) to a tobacco product manufacturer that places
170 funds into escrow pursuant to the provisions of subsection (a) of
171 section 4-28i, return information of a distributor licensed under the
172 provisions of chapter 214 or chapter 214a, provided the information
173 disclosed is limited to information relating to such manufacturer's
174 sales to consumers within this state, whether directly or through a
175 distributor, dealer or similar intermediary or intermediaries, of
176 cigarettes, as defined in section 4-28h, and further provided there is
177 reasonable cause to believe that such manufacturer is not in
178 compliance with section 4-28i; (17) returns, which shall not include a
179 copy of the return filed with the commissioner, or return information
180 for purposes of section 12-217z, as amended; and (18) returns or return
181 information to the State Elections Enforcement Commission, upon

182 written request by said commission, when necessary to investigate
183 suspected violations of state election laws.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2006</i> | 12-7b(a) |
| Sec. 2 | <i>July 1, 2006</i> | 12-15(b) |

Statement of Purpose:

To allow the Department of Revenue Services to submit certain tax data, without any personally identifiable information, to the Office of Fiscal Analysis, for purposes of preparation of a tax expenditure report.

[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.]