



General Assembly

**Substitute Bill No. 658**

February Session, 2008

\* SB00658FIN\_\_031408\_\_ \*

**AN ACT CONCERNING STUDIES OF UNITARY REPORTING FOR CORPORATIONS AND A BUSINESS ACTIVITY TAX.**

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

1 Section 1. (*Effective July 1, 2008*) (a) The Business Tax Credit and Tax  
2 Policy Committee, established pursuant to section 12-217z of the  
3 general statutes, shall conduct a study of unitary reporting, whereby  
4 the corporation business tax liability of a group of related corporations  
5 would be based on such group's combined net income and loss. The  
6 committee shall consider the following: (1) The business entities to  
7 which such unitary reporting shall apply; (2) which exclusions or  
8 credits shall be allowed; (3) which particular economic sectors of the  
9 state economy may benefit and which may be negatively affected; (4)  
10 the impact of such reporting on the tax revenues of the state; (5) the  
11 impact on other state and local taxes paid by businesses; (6) the impact  
12 upon the state's other taxpayers; and (7) the effect on tax rates paid by  
13 businesses.

14 (b) Not later than January 1, 2009, the committee shall submit the  
15 results of such study, in accordance with the provisions of section 11-  
16 4a of the general statutes, to the joint standing committee of the  
17 General Assembly having cognizance of matters relating to finance,  
18 revenue and bonding.

19 Sec. 2. (*Effective July 1, 2008*) (a) The Business Tax Credit and Tax

20 Policy Committee, established pursuant to section 12-217z of the  
21 general statutes, shall conduct a study of replacing the current  
22 corporation business tax structure with a business activity tax. Such  
23 study shall include a review of the Ohio Commercial Activity Tax and  
24 the Texas Margin Tax. The committee shall also consider the following:  
25 (1) The business entities to which such business activity tax shall  
26 apply; (2) which exclusions or credits shall be allowed; (3) which  
27 particular economic sectors of the state economy may benefit and  
28 which may be negatively affected; (4) the impact of such tax on the  
29 revenues of the state; (5) the impact on other state and local taxes paid  
30 by businesses; (6) the impact upon the state's other taxpayers; and (7)  
31 the effect on tax rates paid by businesses.

32 (b) Not later than January 1, 2009, the committee shall submit the  
33 results of such study, in accordance with the provisions of section 11-  
34 4a of the general statutes, to the joint standing committee of the  
35 General Assembly having cognizance of matters relating to finance,  
36 revenue and bonding.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	New section
Sec. 2	<i>July 1, 2008</i>	New section

**FIN**      *Joint Favorable Subst.*