



General Assembly

February Session, 2010

Amendment

LCO No. 4470

HB0549404470HDO

Offered by:
REP. MEGNA, 97th Dist.

To: Subst. House Bill No. 5494 File No. 587 Cal. No. 366

"AN ACT CONCERNING VARIOUS CHANGES TO TITLE 12."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsection (c) of section 12-218c of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective July*
5 *1, 2010, and applicable to income years commencing on and after January 1,*
6 *2010*):

7 (c) (1) The adjustments required in subsection (b) of this section
8 shall not apply if the corporation establishes by clear and convincing
9 evidence that the adjustments are unreasonable, or the corporation and
10 the Commissioner of Revenue Services agree in writing to the
11 application or use of an alternative method of apportionment under
12 section 12-221a. Nothing in this subdivision shall be construed to limit
13 or negate the commissioner's authority to otherwise enter into
14 agreements and compromises otherwise allowed by law.

15 (2) The adjustments required in subsection (b) of this section shall

16 not apply to such portion of interest expenses and costs and intangible
17 expenses and costs that the corporation can establish by the
18 preponderance of the evidence meets both of the following: (A) The
19 related member during the same income year directly or indirectly
20 paid, accrued or incurred such portion to a person who is not a related
21 member, and (B) the transaction giving rise to the interest expenses
22 and costs or the intangible expenses and costs between the corporation
23 and the related member did not have as a principal purpose the
24 avoidance of any portion of the tax due under this chapter.

25 (3) The adjustments required in subsection (b) of this section shall
26 apply except to the extent that increased tax, if any, attributable to such
27 adjustments would have been avoided if both the corporation and the
28 related member had been eligible to make and had timely made the
29 election to file a combined return under subsection (a) of section 12-
30 223a.

31 (4) The adjustments required in subsection (b) of this section shall
32 not apply to a telephone company, as defined in section 16-1, provided
33 such telephone company and the Commissioner of Revenue Services
34 agree in writing to the application or use of an alternative method of
35 apportionment under section 12-221a."