Senate

General Assembly

File No. 806

January Session, 2015

Substitute Senate Bill No. 1134

Senate, May 11, 2015

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING LEGISLATIVE OVERSIGHT OF STATE TAX CREDITS AND A STUDY OF INTERNATIONAL AND EXPORT TRADE.

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

Section 1. Subsection (f) of section 12-7b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(f) (1) The Office of Fiscal Analysis shall not make known in any manner any information obtained from any such report or inventory, or any information obtained pursuant to subdivision (2) of this subsection, which would allow the identification of any taxpayer or of the amount or source of income, profits, losses, expenditures or any particulars thereof set forth or disclosed in any return, statement or report required to be filed with or submitted to the commissioner which is discernible from such report or inventory, or from such information obtained pursuant to subdivision (2) of this subsection, except as provided in this subsection. The Office of Fiscal Analysis

may disclose such information to other state officers and employees when required in the course of duty. No such officer or employee shall make known any such information to any other person except as provided in this subsection. Any person who violates any provision of this subsection shall be fined not more than one thousand dollars or imprisoned not more than one year, or both.

(2) (A) For the purposes of revenue estimating and forecasting only, the Office of Fiscal Analysis may disclose information to any person under a contractual obligation to provide services for the purposes of revenue estimating and forecasting to said office, but only to the extent necessary in connection with the providing of such services for the purposes of revenue estimating and forecasting. No such person under a contractual obligation to provide such services to said office shall make known any such information to any other person, except as provided in this subsection.

(B) For the purposes of facilitating legislative oversight of state tax credits and tax policy and the purposes of revenue estimating and forecasting only, the Office of Fiscal Analysis may request, and the Commissioner of Revenue Services shall provide, for each type of tax levied by the state, all available return information, as defined in subdivision (2) of subsection (h) of section 12-15, pertaining to such type of tax levied by the state, to said office, provided names, addresses, account and registration numbers, and, to the extent in excess of four digits, Standard Industrial Classification Manual codes and North American Industrial Classification System United States Manual codes shall first have been redacted from such return information by said commissioner. For the purposes of facilitating legislative oversight of state tax credits and tax policy and the purposes of revenue estimating and forecasting only, the Office of Fiscal Analysis may provide information from such return information to the cochairpersons, vice-chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, at a meeting called by the cochairpersons of said committee, but no more frequently than

48 annually, provided such meeting is closed to the public. Such meeting
49 shall not be a meeting for the purposes of the Freedom of Information
50 Act, as defined in section 1-200, and no person shall make known any
51 such return information disclosed at such meeting to any other person,
52 except as provided in this subsection.

53 Sec. 2. (*Effective from passage*) The Commissioner of Economic and
54 Community Development shall study (1) the capacity of Connecticut
55 businesses to engage in international trade, and (2) methods to
56 increase the amount of goods and services exported by Connecticut
57 businesses. Such study shall include an analysis of programs
58 administered by the Department of Economic and Community
59 Development related to international trade and exports. Not later than
60 January 1, 2016, the commissioner shall submit a report to the joint
61 standing committees of the General Assembly having cognizance of
62 matters relating to commerce and finance, revenue and bonding, in
63 accordance with section 11-4a of the general statutes, concerning
64 recommended methods to enhance the ability of Connecticut
65 businesses to engage in international trade and export goods and
66 services. At a minimum, such report shall: (A) Identify Connecticut
67 business sectors with exportable goods and services, (B) assess the
68 extent to which Connecticut businesses in such sectors engage in
69 export trade, (C) identify the obstacles that prevent Connecticut
70 businesses from engaging in such export trade, and (D) recommend
71 methods for eliminating such obstacles.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2015*	12-7b(f)
Sec. 2	*from passage*	New section

FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

Section 1 does not result in a fiscal impact by requiring the Office of Fiscal Analysis to obtain and share confidential tax return data from the Department of Revenue Services with the leaders of the Finance, Revenue and Bonding Committee.

Section 2 does not result in a fiscal impact by requiring the Department of Economic and Community Development (DECD) to conduct a study regarding the state's industries and exporting. DECD currently has an International and Domestic Business Development division that facilitates commercial international and out-of-state activities in Connecticut. The agency also gathers data on the on exports from the state by country and industry.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

sSB 1134

AN ACT CONCERNING LEGISLATIVE OVERSIGHT OF STATE TAX CREDITS AND A STUDY OF INTERNATIONAL AND EXPORT TRADE

SUMMARY:

This bill sets narrow conditions under which the Office of Fiscal Analysis (OFA) may share certain tax return data it obtains from the Department of Revenue Services (DRS) with the Finance, Revenue and Bonding Committee's leaders. Current law prohibits OFA from disclosing this information to other parties except, in limited circumstances, to (1) state officers and employees and (2) contractors OFA hires.

The bill also requires the Department of Economic and Community Development (DECD) commissioner to assess the state's capacity to boost international trade and report her findings to the legislature by January 1, 2016.

EFFECTIVE DATE: July 1, 2015, except that the provision requiring the international trade study takes effect upon passage.

RESTRICTIONS ON SHARING TAX RETURN INFORMATION

Under current law, OFA may ask DRS for tax return information it needs to estimate and forecast tax revenue. The DRS commissioner must provide the information after removing any data that might identify individual taxpayers. OFA may disclose the information it receives only to (1) state officers and employees to fulfill their duties and (2) contractors it hires to estimate and forecast revenue and who need the information only for these purposes. The law (1) prohibits both groups from further disclosing this information and (2) imposes a $1,000 fine, up to one year in prison, or both on state officers and

employees who do.

The bill allows OFA to also (1) request the tax return information to help the legislature oversee state tax credits and tax policy and (2) provide the information to the Finance, Revenue and Bonding chairpersons, vice chairpersons, and ranking members. OFA may only provide the information at a closed meeting the chairpersons call, which they may do no more than once a year. Under the bill, these meetings are not public for Freedom of Information Act purposes, and attendees are prohibited from making the information known to other parties. But OFA may disclose it to state officers, state employees, and OFA contractors under the conditions described above.

INTERNATIONAL TRADE STUDY

The bill requires the DECD commissioner to study Connecticut's international trade sector and report her findings and recommendations to the Commerce and Finance, Revenue and Bonding committees by January 1, 2016. Specifically, she must study (1) the capacity of the state's businesses to engage in such trade, (2) methods for increasing the export of goods and services by Connecticut businesses, and (3) DECD's international trade and export programs.

At a minimum, the report must:

1. identify state business sectors with exportable goods and services,

2. assess the extent to which the businesses in these sectors engage in export trade,

3. identify obstacles preventing businesses from exporting goods and services, and

4. recommend how the state can (a) help businesses engage in international trade and export goods and services and (b) eliminate the obstacles to such trade.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute
Yea 46 Nay 2 (04/30/2015)