

Connecticut Public Act 05-251 – Biennial Budget

Sec. 64. Section 12-217z of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) There is established a [Corporation] Business Tax Credit and Tax Policy Review Committee which shall be comprised of the following members: (1) The chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, or their designees; (2) one member appointed by each of the following: The Governor, the president pro tempore of the Senate, the speaker of the House of Representatives, the majority leader of the Senate, the majority leader of the House of Representatives, the minority leader of the House of Representatives and the minority leader of the Senate; and (3) the Commissioners of Revenue Services and Economic and Community Development and the Labor Commissioner, or their designees.

(b) All appointments to the committee shall be made no later than August 15, 2005. Any vacancy shall be filled by the appointing authority.

(c) The chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding shall be the chairpersons of the Business Tax Credit and Tax Policy Review Committee. The Business Tax Credit and Tax Policy Review Committee shall meet not less than twice a year, and at such other times as the chairpersons deem necessary.

[(b)] (d) The committee shall study and evaluate all the existing credits against the corporation business tax, evaluate changes or modifications made to such tax, and consider further changes in policy regarding the taxation of businesses. The study shall include, but is not limited to, consideration of the following with respect to each credit or policy: (1) Has the credit or policy provided a benefit to the state in terms of (A) measurable economic development, (B) new investments in the state, (C) new jobs or retention of existing jobs, or measurable benefits for the workforce in the state; (2) is there sufficient justification to continue the credit or policy as it currently exists or is it obsolete; (3) could the credit or policy be more efficiently administered as part of a broad-based credit or policy; and (4) does the credit or policy add unnecessary complexity in the application, administration and approval process for the [credit] corporation business tax. The committee shall also engage in an analysis of the history, rationale and estimated revenue loss as a result of each tax credit or policy change, and shall recommend revisions necessary to change the tax by eliminating or changing any redundant, obsolete or unnecessary tax credit or any credit or tax policy that is not providing a measurable benefit sufficient to justify any revenue loss to the state.

(e) Upon the request of the chairs of the committee, the Commissioner of Revenue Services shall provide information to the committee concerning (1) exemptions or credits against the corporation business tax, (2) the implementation and operation of legislative changes in tax policy, and (3) other tax-related issues. Such information shall not include the names or addresses of any taxpayers, but may include, for each recipient of a tax credit, or business implementing a change in tax policy, a description of the business activities, the amount of income apportioned to this state and the taxes paid on such income, the exemption or credit taken and the amount of such exemption or credit, and such other information as may be available to the Department of Revenue Services and relevant to the committee's area of inquiry.

[(c) The committee] (f) The Business Tax Credit and Tax Policy Review Committee shall report its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding no later than [January 30, 2002] January 1, 2006, and [every five years] annually thereafter, in accordance with section 11-4a.

Sec. 65. Subsection (b) of section 12-15 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing January 1, 2005*):

(b) The commissioner may disclose (1) returns or return information to (A) an authorized representative of another state agency or office, upon written request by the head of such agency or office, when required in the course of duty or when there is reasonable cause to believe that any state law is being violated, or (B) an authorized representative of an agency or office of the United States, upon written request by the head of such agency or office, when required in the course of duty or when there is reasonable cause to believe that any federal law is being violated, provided no such agency or office shall disclose such returns or return information, other than in a judicial or administrative proceeding to which such agency or office is a party pertaining to the enforcement of state or federal law, as the case may be, in a form which can be associated with, or otherwise identify, directly or indirectly, a particular taxpayer except that the names and addresses of jurors or potential jurors and the fact that the names were derived from the list of taxpayers pursuant to chapter 884 may be disclosed by the judicial branch; (2) returns or return information to the Auditors of Public Accounts, when required in the course of duty under chapter 23; (3) returns or return information to tax officers of another state or of a Canadian province or of a political subdivision of such other state or province or of the District of Columbia or to any officer of the United States Treasury Department or the United States Department of Health and Human Services, authorized for such purpose in accordance with an agreement between this state and such other state, province, political subdivision, the District of Columbia or department, respectively, when required

in the administration of taxes imposed under the laws of such other state, province, political subdivision, the District of Columbia or the United States, respectively, and when a reciprocal arrangement exists; (4) returns or return information in any action, case or proceeding in any court of competent jurisdiction, when the commissioner or any other state department or agency is a party, and when such information is directly involved in such action, case or proceeding; (5) returns or return information to a taxpayer or its authorized representative, upon written request for a return filed by or return information on such taxpayer; (6) returns or return information to a successor, receiver, trustee, executor, administrator, assignee, guardian or guarantor of a taxpayer, when such person establishes, to the satisfaction of the commissioner, that such person has a material interest which will be affected by information contained in such returns or return information; (7) information to the assessor or an authorized representative of the chief executive officer of a Connecticut municipality, when the information disclosed is limited to (A) a list of real or personal property that is or may be subject to property taxes in such municipality, or (B) a list containing the name of each person who is issued any license, permit or certificate which is required, under the provisions of this title, to be conspicuously displayed and whose address is in such municipality; (8) real estate conveyance tax return information or controlling interest transfer tax return information to the town clerk or an authorized representative of the chief executive officer of a Connecticut municipality to which the information relates; (9) estate tax returns and estate tax return information to the Probate Court Administrator or to the court of probate for the district within which a decedent resided at the date of the decedent's death, or within which the commissioner contends that a decedent resided at the date of the decedent's death or, if a decedent died a nonresident of this state, in the court of probate for the district within which real estate or tangible personal property of the decedent is situated, or within which the commissioner contends that real estate or tangible personal property of the decedent is situated; (10) returns or return information to the Secretary of the Office of Policy and Management for purposes of subsection (b) of section 12-7a; (11) return information to the Jury Administrator, when the information disclosed is limited to the names, addresses, federal Social Security numbers and dates of birth, if available, of residents of this state, as defined in subdivision (1) of subsection (a) of section 12-701; (12) pursuant to regulations adopted by the commissioner, returns or return information to any person to the extent necessary in connection with the processing, storage, transmission or reproduction of such returns or return information, and the programming, maintenance, repair, testing or procurement of equipment, or the providing of other services, for purposes of tax administration; (13) without written request and unless the commissioner determines that disclosure would identify a confidential informant or seriously impair a civil or criminal tax investigation, returns and return information which may constitute evidence of a violation of

any civil or criminal law of this state or the United States to the extent necessary to apprise the head of such agency or office charged with the responsibility of enforcing such law, in which event the head of such agency or office may disclose such return information to officers and employees of such agency or office to the extent necessary to enforce such law; (14) names and addresses of operators, as defined in section 12-407, to tourism districts, as defined in section 10-397; (15) names of each licensed dealer, as defined in section 12-285, and the location of the premises covered by the dealer's license; [and] (16) to a tobacco product manufacturer that places funds into escrow pursuant to the provisions of subsection (a) of section 4-28i, return information of a distributor licensed under the provisions of chapter 214 or chapter 214a, provided the information disclosed is limited to information relating to such manufacturer's sales to consumers within this state, whether directly or through a distributor, dealer or similar intermediary or intermediaries, of cigarettes, as defined in section 4-28h, and further provided there is reasonable cause to believe that such manufacturer is not in compliance with section 4-28i; and (17) returns or return information for purposes of section 12-217z, as amended by this act.