

Legislative History for Connecticut Act

SB 1486 PA 380 ^{Scan} 1977
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CONNECTICUT
GEN. ASSEMBLY

HOUSE

PROCEEDINGS
1977

VOL. 20
PART 11
4327-4784

House of Representatives

Tuesday, May 24, 1977

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THE DEPUTY SPEAKER:

The bill is PASSED.

THE CLERK:

Page 5 of the Calendar, Calendar No. 1224, S.B. No. 1486, File Nos. 1067, 1107, An Act Concerning the Time Limit for Examination of Corporation Business Tax Returns by the Tax Commissioner, as amended by Senate Amendment Schedule "A", favorable report of the Committee on Finance.

MR. COLLINS (140th):

Mr. Speaker, I move acceptance of the joint committee's favorable report and passage of the bill in concurrence with the Senate.

THE DEPUTY SPEAKER:

Question is on acceptance of the joint committee's favorable report and passage of the bill in concurrence with the Senate. Would you remark, sir?

MR. COLLINS (140th):

Yes, Mr. Speaker. For many years, the Connecticut Tax Department under statute has been allowed three years to make its audit and investigation of corporate tax returns. Then in 1973, the general assembly added a new portion to the tax law in the course of its general recodification of corporate taxes and allowed corporations to carry forward losses that they might have in one year to any year in the future up to five years when they might have a profit against which they would balance off this loss. Unfortunately, the law governing the length of time which the tax department had to inspect the loss returns was not changed at the time--at that time. Now we're getting to the five year period after 1973 when the law was passed and it is anticipated that companies will be coming in with profits against which

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they're balancing losses that they had five years ago and the tax department will not be able to audit those loss returns. It could cost the state a good deal of money. The bill simply adds to the--or changes the language of the statute which says how long the tax department has to audit the returns. It starts the clock running at the time the filing of the first return when the loss is used to offset a corporate profit. This will allow the auditors to examine the losses which companies say are rightfully deductible from their profits in a given year. It's a fairly straightforward bill, Mr. Speaker, but the Senate has added an amendment and I would request the Clerk call Senate Amendment "A".

THE DEPUTY SPEAKER:

The Clerk please call and read Senate Amendment "A".

THE CLERK:

Senate Amendment Schedule "A" LCO 8353.

In line 34, before the word "notice" insert the words "timely mailed"

MR. COLLINS (140th):

Mr. Speaker, I move adoption of the amendment.

THE DEPUTY SPEAKER:

Question is on adoption of Senate Amendment Schedule "A". Would you remark?

MR. COLLINS (140th):

Yes, Mr. Speaker. I would just quote from the legislative research office bill summary on this amendment. They say the amended added the words "timely mailed" and the effect of this addition is not clear. I subscribe to that analysis. I don't know exactly what the amendment means either but at least it doesn't seem to be mischievous so I would urge that

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rather than take a chance on losing the bill, we go ahead and accept it.

THE DEPUTY SPEAKER:

Would you remark further on Senate Amendment Schedule "A"?

MR. FOX (149th):

Mr. Speaker, I would like to endorse the amendment and urge support of it. It's a sound amendment to further clarify. Thank you.

THE DEPUTY SPEAKER:

Will you remark further on Senate Amendment Schedule "A"?

If not, all those in favor of Senate "A" indicate by saying aye. Those opposed? Senate "A" is ADOPTED, ruled technical.

Would you remark further on the bill as amended?

MR. COLLINS (140th):

I think I covered it more than adequately before, Mr. Speaker.

THE DEPUTY SPEAKER:

Will you remark further on the bill? Any further remarks on the bill as amended by Senate Amendment Schedule "A"? If not, will the members please take their seats, will the staff please come to the well of the House. Will the staff please come to the well of the House. The machine will be open. Have all the members voted? Have all the members voted? If so, the machine will be locked. The Clerk please take a tally.

The Clerk please announce the tally.

THE CLERK:

Total Number Voting.....	128
Necessary for Passage.....	65
Those Voting Yea.....	128
Those Voting Nay.....	0
Those Absent and Not Voting.....	23

THE DEPUTY SPEAKER:

The bill as amended is PASSED.

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THE CHAIR:

Senator De Piano, after a little bit of mirth here, the answer will be no later than Tuesday or Tuesday.

SENATOR DE PIANO:

Mr. President, thank you very much. Senator Morano.

SENATOR MORANO:

Mr. President, I suggest we take it up next Tuesday if it snows.

THE CHAIR:

If we don't break a leg on the defective sidewalk before then.

THE CLERK:

Turning to page 27 of the Calendar, all the other items between where we were and where we're going have been passed retaining. So, on page 27, Calendar 975, File 1067, Favorable Report of the Joint Standing Committee on Finance, Senate Bill 1486, AN ACT CONCERNING A TIME LIMIT FOR EXAMINATION OF CORPORATE BUSINESS TAX RETURNS BY THE TAX COMMISSIONER.

THE CHAIR:

Senator Beck.

SENATOR BECK:

Mr. President, I move acceptance of the Committee's Favorable Report and Favorable action on the Bill.

THE CHAIR:

Will you remark, Senator?

SENATOR BECK:

Mr. President, there is an Amendment.

THE CLERK:

Clerk has Senate Amendment, Schedule A, Senate Bill 1486, LCO 8353, offered

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by Senator De Nardis. No copies, so in Line 34, before the word "notice" insert the words "timely mailed".

THE CHAIR:

Will you please explain the Amendment.

SENATOR BECK:

Mr. President, in reading the File copy, Senator De Nardis noticed that the copy does not take into account the mailing problems we have currently and in order to protect the taxpayers, has proposed that we say that the notice must be timely mailed. It's certainly an eminently sound Amendment and I fully support it.

THE CHAIR:

All right. The question then is on the adoption of Senate A. All in favor say aye. Opposed nay. The ayes have it. The Amendment's adopted. Will you speak to the Bill as amended, Senator?

SENATOR BECK:

Mr. President, this Bill permits the Tax Department to begin investigating reporting of operating losses by corporations from the date when the intention to file for that loss is filed. At present, it permits investigations after completion of the report and this means that the procedures can be more effectively carried out and particularly where we're dealing with operating losses, it gives the Tax Department far more timely capacity to carry this out. It's a very good piece of Legislation and I move that we place it on the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

The Clerk has completed the Calendar. And is ready to go over the Consent