

DEPARTMENT OF REVENUE SERVICES REGULATIONS

Corporation Business Tax Regulations

Agency	Reviewing counsel	Section #	Short Description / Subject Matter	History	Recommendation	EO Status ⁺	Rationale
DRS	Office of Counsel	12-213-1	Definitions - General	1989	Amend	3	Subsections (a) & (b) - These subsections should be repealed as they are duplicative of Conn. Gen. Stat. §12-222. Subsection (c) - The regulation's definition of "documents" should refer to electronic documents.
DRS	Office of Counsel	12-213-2	Prohibition against double deductions and/or exclusions	1995	Amend	3	Subsection (b) - The reference to life insurance companies is outdated as, beginning with income year 1999, all insurance companies are exempt from tax under Chapter 208. See Conn. Gen. Stat. §12-214(a)(2)(A). Subsection (c) - This subsection is no longer necessary as the statutes of limitation to file amended returns for the impacted periods (pre-1995) have all expired.
DRS	Office of Counsel	12-214-1	Carrying on, or having the right to carry on, business	1984	Amend	4	The language of this regulation is outdated.

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DRS	Office of Counsel	12-214-2	Companies exempt from tax	1984	Amend	3	<p>Subdivision (b)(1) - The reference to life insurance companies is outdated as, beginning with income year 1999, all insurance companies are exempt from tax under Chapter 208. See Conn. Gen. Stat. §12-214(a)(2)(A).</p> <p>Subdivision (b)(2) - This subdivision refers to federal forms that the IRS has replaced with new forms.</p> <p>Subdivision (b)(8) - The reference to federal Form 1120S is outdated as, beginning with income year 2001, S-Corporations are exempt from tax under Chapter 208. See Conn. Gen. Stat. §12-214(a)(2)(I). S-Corporations are now treated as pass-through entities and file Form CT-1065/CT-1120SI.</p> <p>General - This regulation should be updated to reflect changes to Conn. Gen. Stat. §12-214(a)(2). Particularly, said statute has been amended to exempt additional entities not listed in this regulation from the Corporation Business Tax.</p>

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DRS	Office of Counsel	12-217-1	Carryovers	1982	No action	1	
DRS	Office of Counsel	12-217-2	(Repealed)	2000	N/A	0	
DRS	Office of Counsel	12-217f-1 through 12-217f-4	(Repealed)	2001	N/A	0	
DRS	Office of Counsel	12-218-1	Definitions - Apportionment of income	1982	Amend	3	<p>Subsections (a) & (b) - These subsections should be amended to reflect the apportionment of financial service companies under Conn. Gen. Stat. §12-218b.</p> <p>Subsection (c) - This subsection is unnecessary. A taxpayer is permitted to apportion its income under Conn. Gen. Stat. §12-218 if it conducts business in another state that has jurisdiction to subject the taxpayer to tax. It does not matter whether the other state, in fact, imposes tax on such taxpayer. See Conn. Gen. Stat. §12-218(a).</p>
DRS	Office of Counsel	12-218-2	Derivation of income or loss	1982	No action	1	
DRS	Office of Counsel	12-218-3	Apportionment fraction	1983	Amend	3	This regulation incorrectly assumes that all taxpayers apportion under the three

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							factor, double-weighted sales formula. It fails to consider taxpayers that are entitled to apportion under industry specific formulas.
DRS	Office of Counsel	12-219a-1	Definitions - Apportionment of capital Base	1982	Amend	3	Subsection (b) - This subsection is unnecessary. A taxpayer is permitted to apportion its capital base under Conn. Gen. Stat. §12-219a if it conducts business in another state that has jurisdiction to subject the taxpayer to tax. It does not matter whether the other state, in fact, imposes tax on such taxpayer. See Conn. Gen. Stat. §12-219a(a). Subsection (c) - There is a typographical error in this subsection that should be corrected.
DRS	Office of Counsel	12-221a-1	Alternate method of apportionment	1995	No action	1	
DRS	Office of Counsel	12-223a-1	Combined tax	1982	No action	1	
DRS	Office of Counsel	12-223a-2	Combined operating loss	1982	Amend	3	The regulation needs to be updated to reflect the fact that net operating losses generated in income years 2000 and thereafter may be carried forward

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							period for up to 20 years (for income years 1999 and earlier, it was only 5 years). See Conn. Gen. Stat. §12-217(a)(4).
DRS	Office of Counsel	12-225-1	(Repealed)	2001	N/A	0	
DRS	Office of Counsel	12-225-2	Adjustments to net income resulting from subtraction of exempt income shall be net of expenses	1995	Amend	3	Subsection (g) - This subsection is no longer necessary as the statutes of limitation to file amended returns for the impacted periods (pre-1995) have all expired.
DRS	Office of Counsel	12-226-1	(Repealed)	2001	N/A	0	
DRS	Office of Counsel	12-226a-1	Adjustments by commissioner	1995	Amend	4	The language of this regulation is outdated.
DRS	Office of Counsel	12-233-1	(Repealed)	2000	N/A	0	
DRS	Office of Counsel	12-236-1	(Repealed)	2000	N/A	0	
DRS	Office of Counsel	12-242-1	(Repealed)	1982	N/A	0	
DRS	Office of Counsel	12-242-2 through 12-242-3	(Repealed)	2000	N/A	0	

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DRS	Office of Counsel	12-242-4	Amortization of bond premiums		No action	1	
DRS	Office of Counsel	12-242-5 through 12-242-7	(Repealed)	1982	N/A	0	
DRS	Office of Counsel	12-242-8	Changes of accounting period		Repeal	2	The information required to be submitted by this regulation is already obtained by the Department when taxpayers file their Connecticut returns with their corresponding federal returns attached thereto. To this end, taxpayers are required to file their Connecticut returns covering the same period used for federal income tax purposes. See Conn. Gen. Stat. §12-213(a)(5).
DRS	Office of Counsel	12-242-9	Changes of accounting basis		Repeal	2	The information required to be submitted by this regulation is already obtained by the Department when taxpayers file their Connecticut returns with their corresponding federal returns attached thereto. To this end, taxpayers are required to determine their items of income and deduction using the same accounting bases as used for federal income tax purposes. See Conn. Gen. Stat. §§12-213(9) and 12-217.

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DRS	Office of Counsel	12-242-10	The non-deductibility of funds which escheat to the state		No action	1	
DRS	Office of Counsel	12-242-11	(Repealed)	2000	N/A	0	
DRS	Office of Counsel	12-242b-1	(Repealed)	1984 (subsections (b) and (c)); 2001 (subsection (a))	N/A	0	
DRS	Office of Counsel	12-242d-1	Definitions - Estimated tax payments	1984; 2001	No action	1	
DRS	Office of Counsel	12-242d-2	(Repealed)	2001	N/A	0	
DRS	Office of Counsel	12-638-1	Definitions - Neighborhood Assistance Act ("NAA")	1987; 2006	No action	1	
DRS	Office of Counsel	12-638-2	Deadlines - NAA	1983; 2006	Amend	3	Subsection (b) - Municipality approval of program proposals is no longer required by statute. See Conn. Gen. Stat. §12-632(c) as amended by 2010 Conn. Pub. Acts 188, §9. Therefore, there is no need to grant such municipalities extensions of time to approve proposals.

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DRS	Office of Counsel	12-638-3	Agency overseeing implementation - NAA	1983; 2006	Repeal	2	Municipality approval of program proposals is no longer required by statute. See Conn. Gen. Stat. §12-632(c) as amended by 2010 Conn. Pub. Acts 188, §9.
DRS	Office of Counsel	12-638-4	(Repealed)	2006	N/A	0	
DRS	Office of Counsel	12-638-5	Proof of expenditures for charitable purposes - NAA	1987; 2006	Repeal	2	The statutory language to which this regulation refers has been repealed.
DRS	Office of Counsel	12-638-6	Year in which amount must be expended and in which credit must be claimed - NAA	1984; 2006	No action	1	
DRS	Office of Counsel	12-638-7	Carryforwards and carrybacks - NAA	1984; 2006	No action	1	
DRS	Office of Counsel	12-638-8	Post-project audit	1987; 2006	No action	1	

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