

Connecticut Department of Revenue Services



STATE OF CONNECTICUT DEPARTMENT OF REVENUE SERVICES

450 Columbus Blvd
Hartford CT 06103

SN 91(2)

Corporation Business Tax Changes

PURPOSE: This Special Notice describes changes affecting the Corporation Business Tax Act made by 1991 Conn. Pub. Acts 3, §§99, 100, 101 and 102 (June Spec. Sess.). This Special Notice is intended to provide general information to taxpayers and should not be considered a ruling or regulation issued by the Department of Revenue Services.

EFFECTIVE DATE: Effective upon issuance and applicable to income years commencing during 1991 and thereafter as indicated below.

STATUTORY AUTHORITY: 1991 Conn. Pub. Acts 3, §§99, 100, 101 and 102 (June Spec. Sess.), amending Conn. Gen. Stat. §§12-214, 12-217, 12-219 and 12-242d.

CHANGES:

1. For income years commencing during 1991, the surtax of 20% applies. For income years commencing during 1992, the surtax is reduced to 10%. For income years commencing during 1993 and thereafter; no surtax applies. [**PRIOR LAW:** Since the passage of 1989 Conn. Pub. Acts 251, there has been a 20% surtax on the corporation business tax.]
2. For income years commencing during 1991 and thereafter, only 70% of the dividends received from a domestic corporation in which the recipient corporation owns less than 20% of the total voting power and value of the stock of the dividend payor are deductible. [**PRIOR LAW:** Since the passage of 1981 Conn. Pub. Acts 411, such dividends have been fully deductible.]
3. For income years commencing during 1991 and thereafter, the maximum additional tax liability of companies other than regulated investment companies, real estate investment trusts or banking or financial corporations is increased to \$1,000,000. [**PRIOR LAW:** Since the passage of 1986 Conn. Pub. Acts 124, the maximum additional tax liability of such companies has been \$500,000.]
4. For income years commencing during 1991 and thereafter, no penalties can be imposed on underpayments of estimated tax; however, such underpayments continue to be subject to interest. [**PRIOR LAW:** Since the passage of 1989 Conn. Pub. Acts 16, penalties have been imposed on underpayments of estimated tax.]

PLEASE NOTE THE FOLLOWING NEW INFORMATION ABOUT DRS.

FOR FURTHER INFORMATION: To order forms and publications or for further information, call the Department of Revenue Services at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Forms and publications may be ordered through voice-mail 24-hours a day by choosing Option 3 on your touch tone telephone.

Electronic Delivery Options: You can also obtain tax forms and publications 24-hours a day from our Web home page at <https://www.ct.gov/drs>. Telecommunications Device for the Deaf (TDD/TT) users only call 860-297-4911 during business hours.

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