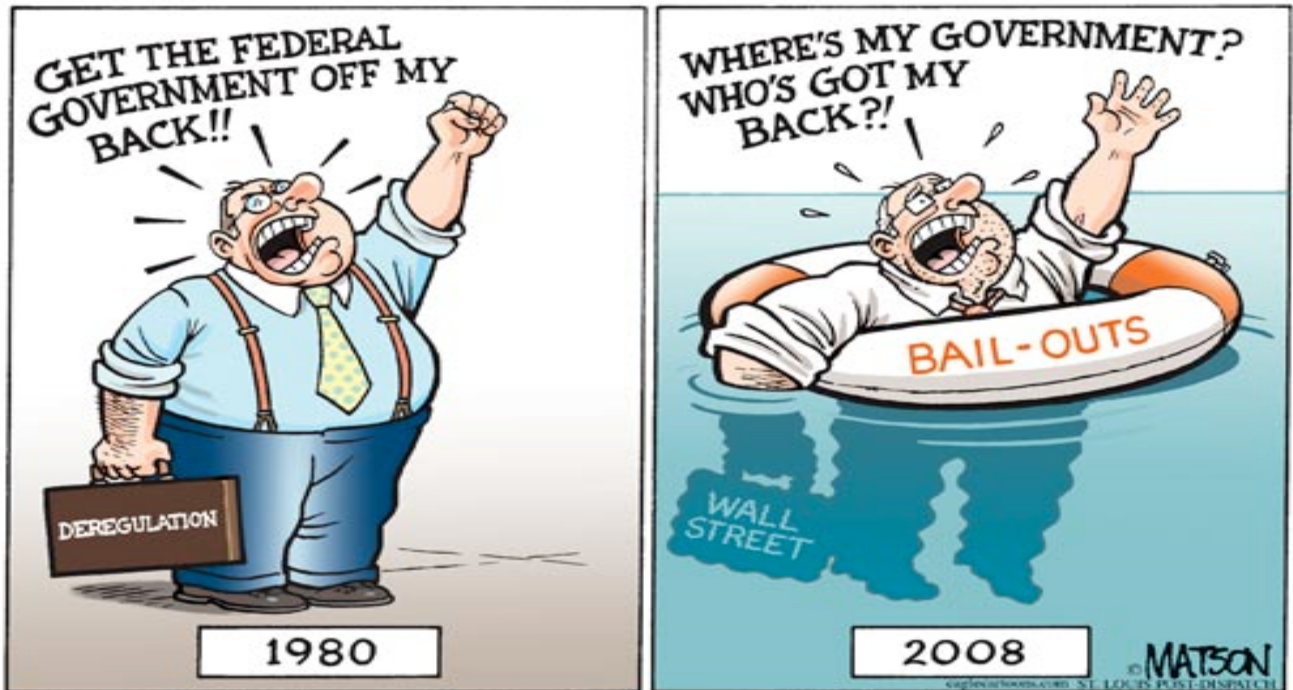


Tax Fact #8

HOW ABOUT TRANSPARENCY? CONNECTICUT NEEDS COMBINED REPORTING FOR CORPORATIONS



Where is the shared sacrifice for Connecticut's largest and most profitable corporations? Using Federal loopholes, tax shelters and Congressional giveaways, Connecticut, which uses Federal taxable corporate income to compute profits, receives less than it should in taxes. Add to that state loopholes and **many large profitable corporations pay virtually no income tax at all.**

Many loopholes allow corporations to **artificially shift their profits** (on paper) from Connecticut to states that tax them at lower rates or not at all. How is this fair?

Combined Reporting is the single most important corporate tax reform Connecticut could adopt. 23 other states use combined reporting including Massachusetts and New York. Combined reporting eliminates most of the tax benefits of shifting profits to Delaware or Nevada.

A Progressive Income Tax and a Fair Transparent Corporate Tax Structure would prevent many of the Governor's cuts.