



An Act Reducing Various Taxes.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (19) of section 12-412 of the general statutes,
2 as amended by section 16 of public act 99-173, is repealed and the
3 following is substituted in lieu thereof:

4 (19) Sales of and the storage, use or other consumption of (A)
5 oxygen, blood or blood plasma when sold for medical use in humans
6 or animals; (B) artificial devices individually designed, constructed or
7 altered solely for the use of a particular handicapped person so as to
8 become a brace, support, supplement, correction or substitute for the
9 bodily structure, including the extremities of the individual, and repair
10 or replacement parts and repair services rendered to property
11 described in this subparagraph; (C) artificial limbs, artificial eyes and
12 other equipment worn as a correction or substitute for any functioning
13 portion of the body, custom-made wigs or hairpieces for persons with
14 medically diagnosed total and permanent hair loss as a result of
15 disease or the treatment of disease, [and] artificial hearing aids when
16 designed to be worn on the person of the owner or user, closed circuit
17 television equipment used as a reading aid by persons who are
18 visually impaired and repair or replacement parts and repair services
19 rendered to property described in this subparagraph; (D) canes,
20 crutches, walkers, wheel chairs and inclined stairway chairlifts for the
21 use of invalids and handicapped persons, and repair or replacement

22 parts and repair services to property described in this subparagraph;
23 [and] (E) any equipment used in support of or to supply vital life
24 functions, including oxygen supply equipment used for humans or
25 animals, kidney dialysis machines and any other such device used in
26 necessary support of vital life functions, and apnea monitors, and
27 repair or replacement parts and repair services rendered to property
28 described in this subparagraph; and (F) support hose that is specially
29 designed to aid in the circulation of blood and is purchased by a
30 person who has a medical need for such hose. Repair or replacement
31 parts are exempt whether purchased separately or in conjunction with
32 the item for which they are intended, and whether such parts continue
33 the original function or enhance the functionality of such item. As used
34 in this subdivision, "repair services" means services that are described
35 in subparagraph (Q) or (EE) of subdivision (2)(i) of section 12-407.

36 Sec. 2. Subdivision (47) of section 12-412 of the general statutes is
37 repealed and the following is substituted in lieu thereof:

38 (47) Sales of any article of clothing or footwear intended to be worn
39 on or about the human body [and] the cost of which to the purchaser is
40 less than [fifty] seventy-five dollars. For purposes of this subdivision
41 clothing or footwear shall not include (A) any special clothing or
42 footwear primarily designed for athletic activity or protective use [and
43 which] that is not normally worn except when used for the athletic
44 activity or protective use for which it was designed, and (B) jewelry,
45 handbags, luggage, umbrellas, wallets, watches and similar items
46 carried on or about the human body but not worn on the body in the
47 manner characteristic of clothing intended for exemption under this
48 subdivision.

49 Sec. 3. Subdivision (55) of section 12-412 of the general statutes is
50 repealed and the following is substituted in lieu thereof:

51 (55) Sales of (A) tangible personal property by any funeral
52 establishment performing the primary services in preparation for and
53 the conduct of burial or cremation, provided any such property must

54 be used directly in the performance of such services and the total
55 amount of such exempt sales with respect to any single funeral may
56 not exceed two thousand five hundred dollars, or (B) sales by any
57 person of caskets used for burial.

58 Sec. 4. Section 12-412 of the general statutes, as amended by sections
59 16 to 27, inclusive, of public act 99-173, and section 54 of public act 99-
60 241, is amended by adding subdivisions (108) to (110), inclusive, as
61 follows:

62 (NEW) (108) Sales of specially formulated gum, inhalants or similar
63 products designed to aid in the cessation of a smoking habit.

64 (NEW) (109) Sales of child car seats.

65 (NEW) (110) Sales of college textbooks to full and part-time students
66 enrolled at institutions of higher education, provided the student
67 presents a valid student identification card. For purposes of this
68 subdivision, "college textbooks" means new or used books and related
69 workbooks required or recommended for a course at an institution of
70 higher education.

71 Sec. 5. Subdivision (1) of section 12-408 of the general statutes, as
72 amended by section 13 of public act 99-173, is repealed and the
73 following is substituted in lieu thereof:

74 (1) For the privilege of making any sales, as defined in subdivision
75 (2) of section 12-407, at retail, in this state for a consideration, a tax is
76 hereby imposed on all retailers at the rate of six per cent of the gross
77 receipts of any retailer from the sale of all tangible personal property
78 sold at retail or from the rendering of any services constituting a sale in
79 accordance with subdivision (2) of section 12-407, except, in lieu of said
80 rate of six per cent, (A) at a rate of twelve per cent with respect to each
81 transfer of occupancy, from the total amount of rent received for such
82 occupancy of any room or rooms in a hotel or lodging house for the
83 first period not exceeding thirty consecutive calendar days, (B) with
84 respect to the sale of a motor vehicle to any individual who is a

85 member of the armed forces of the United States and is on full-time
86 active duty in Connecticut and who is considered, under 50 App USC
87 574, a resident of another state, or to any such individual and the
88 spouse thereof, at a rate of four and one-half per cent of the gross
89 receipts of any retailer from such sales, provided such retailer requires
90 and maintains an affidavit or other evidence, satisfactory to the
91 commissioner, concerning the purchaser's state of residence under 50
92 App USC 574, (C) (i) with respect to the sales of computer and data
93 processing services occurring on or after July 1, 1997, and prior to July
94 1, 1998, at the rate of five per cent, on or after July 1, 1998, and prior to
95 July 1, 1999, at the rate of four per cent, on or after July 1, 1999, and
96 prior to July 1, 2000, at the rate of three per cent, on or after July 1,
97 2000, and prior to July 1, 2001, at the rate of two per cent, on or after
98 July 1, 2001, and prior to July 1, 2002, at the rate of one per cent and on
99 and after July 1, 2002, such services shall be exempt from such tax, (ii)
100 with respect to sales of Internet access services occurring on or after
101 July 1, 2000, and prior to July 1, 2001, at the rate of one per cent and, on
102 and after July 1, 2001, such services shall be exempt from such tax, (D)
103 with respect to the sales of labor, repair or maintenance services on
104 vessels, as defined in section 15-127, occurring on and after July 1,
105 1999, such services shall be exempt from such tax, (E) with respect to
106 sales of the renovation and repair services of paving of any sort,
107 painting or staining, wallpapering, roofing, siding and exterior sheet
108 metal work, to other than industrial, commercial or income-producing
109 real property, occurring on or after July 1, 1999, and prior to July 1,
110 2000, at the rate of four per cent, with respect to such sales occurring
111 on or after July 1, 2000, but prior to July 1, 2001, at the rate of two per
112 cent, and on and after July 1, 2001, sales of such renovation and repair
113 services shall be exempt from such tax, and (F) with respect to patient
114 care services occurring on or after July 1, 1999, at the rate of five and
115 three-fourths per cent. The rate of tax imposed by this chapter shall be
116 applicable to all retail sales upon the effective date of such rate, except
117 that a new rate which represents an increase in the rate applicable to
118 the sale shall not apply to any sales transaction wherein a binding sales
119 contract without an escalator clause has been entered into prior to the

120 effective date of the new rate and delivery is made within ninety days
 121 after the effective date of the new rate. For the purposes of payment of
 122 the tax imposed under this section, any retailer of services taxable
 123 under subdivision (2)(i) of section 12-407, as amended, who computes
 124 taxable income, for purposes of taxation under the Internal Revenue
 125 Code of 1986, or any subsequent corresponding internal revenue code
 126 of the United States, as from time to time amended, on an accounting
 127 basis which recognizes only cash or other valuable consideration
 128 actually received as income and who is liable for such tax only due to
 129 the rendering of such services may make payments related to such tax
 130 for the period during which such income is received, without penalty
 131 or interest, without regard to when such service is rendered.
 132 Information about the state sales tax rate of other states shall, upon
 133 request, be furnished by the commissioner.

134 Sec. 6. Subsection (a) of section 12-642 of the general statutes is
 135 repealed and the following is substituted in lieu thereof:

136 (a) [The] (1) With respect to calendar years commencing prior to
 137 January 1, 2001, the tax imposed by section 12-640 for the calendar year
 138 shall be at a rate of the taxable gifts made by the donor during the
 139 calendar year set forth in the following schedule:

T1	Amount of Taxable Gifts	Rate of Tax
T2	Not over \$25,000	1%
T3	Over \$25,000	\$250, plus 2% of the excess
T4	but not over \$50,000	over \$25,000
T5	Over \$50,000	\$750, plus 3% of the excess
T6	but not over \$75,000	over \$50,000
T7	Over \$75,000	\$1,500, plus 4% of the excess
T8	but not over \$100,000	over \$75,000
T9	Over \$100,000	\$2,500, plus 5% of the excess
T10	but not over \$200,000	over \$100,000
T11	Over \$200,000	\$7,500, plus 6% of the excess
T12		over \$200,000

140 (2) With respect to the calendar year commencing January 1, 2001,
 141 the tax imposed by section 12-640 for the calendar year shall be at a
 142 rate of the taxable gifts made by the donor during the calendar year set
 143 forth in the following schedule:

T13	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T14	<u>Over \$25,000</u>	<u>\$250, plus 2% of the excess</u>
T15	<u>but not over \$50,000</u>	<u>over \$25,000</u>
T16	<u>Over \$50,000</u>	<u>\$750, plus 3% of the excess</u>
T17	<u>but not over \$75,000</u>	<u>over \$50,000</u>
T18	<u>Over \$75,000</u>	<u>\$1,500, plus 4% of the excess</u>
T19	<u>but not over \$100,000</u>	<u>over \$75,000</u>
T20	<u>Over \$100,000</u>	<u>\$2,500, plus 5% of the excess</u>
T21	<u>but not over \$675,000</u>	<u>over \$100,000</u>
T22	<u>Over \$675,000</u>	<u>\$31,250, plus 6% of the excess</u>
T23		<u>over \$675,000</u>

144 (3) With respect to the calendar year commencing January 1, 2002,
 145 the tax imposed by section 12-640 for the calendar year shall be at a
 146 rate of the taxable gifts made by the donor during the calendar year set
 147 forth in the following schedule:

T24	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T25	<u>Over \$50,000</u>	<u>\$750, plus 3% of the excess</u>
T26	<u>but not over \$75,000</u>	<u>over \$50,000</u>
T27	<u>Over \$75,000</u>	<u>\$1,500, plus 4% of the excess</u>
T28	<u>but not over \$100,000</u>	<u>over \$75,000</u>
T29	<u>Over \$100,000</u>	<u>\$2,500, plus 5% of the excess</u>
T30	<u>but not over \$700,000</u>	<u>over \$100,000</u>
T31	<u>Over \$700,000</u>	<u>\$32,500, plus 6% of the excess</u>
T32		<u>over \$700,000</u>

148 (4) With respect to the calendar year commencing January 1, 2003,
 149 the tax imposed by section 12-640 for the calendar year shall be at a
 150 rate of the taxable gifts made by the donor during the calendar year set
 151 forth in the following schedule:

T33	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T34	<u>Over \$75,000</u>	<u>\$1,500, plus 4% of the excess</u>
T35	<u>but not over \$100,000</u>	<u>over \$75,000</u>
T36	<u>Over \$100,000</u>	<u>\$2,500, plus 5% of the excess</u>
T37	<u>but not over \$700,000</u>	<u>over \$100,000</u>
T38	<u>Over \$700,000</u>	<u>\$32,500, plus 6% of the excess</u>
T39		<u>over \$700,000</u>

152 (5) With respect to the calendar year commencing January 1, 2004,
 153 the tax imposed by section 12-640 for the calendar year shall be at a
 154 rate of the taxable gifts made by the donor during the calendar year set
 155 forth in the following schedule:

T40	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T41	<u>Over \$100,000</u>	<u>\$2,500, plus 5% of the excess</u>
T42	<u>but not over \$850,000</u>	<u>over \$100,000</u>
T43	<u>Over \$850,000</u>	<u>\$40,000, plus 6% of the excess</u>
T44		<u>over \$850,000</u>

156 (6) With respect to the calendar year commencing January 1, 2005,
 157 the tax imposed by section 12-640 for the calendar year shall be at a
 158 rate of the taxable gifts made by the donor during the calendar year set
 159 forth in the following schedule:

T45	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T46	<u>Over \$950,000</u>	<u>\$45,000, plus 6% of the excess</u>
T47		<u>over \$950,000</u>

160 (7) With respect to the calendar year commencing January 1, 2006,
 161 and each calendar year thereafter, the tax imposed by section 12-640
 162 for the calendar year shall be at a rate of the taxable gifts made by the
 163 donor during the calendar year set forth in the following schedule:

T48	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
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T49 Over \$1,000,000 \$47,500, plus 6% of the excess
T50 over \$1,000,000
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165 Sec. 7. Section 12-217y of the general statutes, as amended by section
166 1 of public act 99-203, is repealed and the following is substituted in
167 lieu thereof:

168 (a) As used in this section:

169 (1) "Business firm" means any business entity authorized to do
170 business in this state and subject to the corporation business tax
171 imposed under this chapter;

172 (2) "Qualifying employee" means (A) during fiscal year 1999, any
173 employee who is employed not less than twenty-five hours per week
174 by the same business firm and who, at the time of being hired by such
175 business firm, is and has been receiving benefits from the temporary
176 family assistance program for more than nine months and meets other
177 requirements that the Labor Commissioner may establish in
178 regulations adopted in accordance with chapter 54, or (B) during and
179 after fiscal year 2000, any employee who is employed not less than
180 thirty hours per week by the same business firm and who, at the time
181 of being hired by such business firm, is and has been receiving benefits
182 from the temporary family assistance program for more than nine
183 months and meets other requirements that the Labor Commissioner
184 may establish in regulations adopted in accordance with chapter 54.
185 For purpose of this subdivision, the number of hours per week an
186 employee participates in a job training program approved by the Labor
187 Commissioner shall be included in calculating the number of hours
188 such employee is employed.

189 (b) Any business firm which desires to hire a qualifying employee in
190 any income year commencing on or after January 1, 1997, may apply to
191 the Labor Commissioner for an allocation of a tax credit in an amount
192 equal to one hundred twenty-five dollars for each full month that such

193 employee is employed by such firm. The application for a tax credit
194 under this subsection shall set forth information that said
195 commissioner deems necessary in regulations adopted in accordance
196 with chapter 54.

197 (c) Applications shall be submitted annually, before such
198 expenditures are made, to the Labor Commissioner on or after July
199 first but not later than December thirty-first. The commissioner shall
200 approve or disapprove each application within sixty days of its
201 submission to the commissioner based on (1) the compliance of such
202 application with the provisions of this section, (2) regulations adopted
203 pursuant to this section, and (3) the amount of tax credits remaining in
204 the annual allotment provided in this section for the year involved.
205 The commissioner shall approve applications in the order in which
206 they are received in the commissioner's office between July first and
207 December thirty-first of each year. If the commissioner approves the
208 application of the business firm and if the limit for tax credit for that
209 year has not yet been allocated, the commissioner shall allocate and
210 commit an amount of tax credits to such business firm. Any business
211 firm receiving such an allocation shall, within thirty days of the end of
212 its income year, submit a report on the number of full months that
213 qualifying employees were employed by such firm during such year.

214 (d) The credit shall be claimed on the tax return for the income year
215 during which qualifying employees were employed for full months by
216 the business firm. Any tax credit not used in the period during which
217 the expenditure was made may be carried forward for the five
218 immediately succeeding income years until the full credit has been
219 allowed.

220 (e) In no event shall the total amount of all tax credits allowed to all
221 business firms pursuant to the provisions of this section exceed [one]
222 two million dollars in any one fiscal year.

223 (f) No credit under subsection (c) of this section shall be allowed,
224 with respect to wages paid to any qualifying employee, to any

225 business firm that has previously been granted a tax credit under this
226 section with respect to wages paid to the same employee.

227 Sec. 8. Section 12-263b of the general statutes, as amended by section
228 32 of public act 99-173, is repealed and the following is substituted in
229 lieu thereof:

230 There is hereby imposed on the hospital gross earnings of each
231 hospital in this state a tax (1) at the rate of eleven per cent of its
232 hospital gross earnings in each taxable quarter for taxable quarters
233 commencing prior to October 1, 1996; (2) at the rate of nine and
234 one-fourth per cent of its hospital gross earnings in each taxable
235 quarter commencing on or after October 1, 1996, and prior to October
236 1, 1997; (3) at the rate of eight and one-fourth per cent of its hospital
237 gross earnings in each taxable quarter commencing on or after October
238 1, 1997, and prior to October 1, 1998; (4) at the rate of seven and
239 one-fourth per cent of its hospital gross earnings in each taxable
240 quarter commencing on or after October 1, 1998, and prior to October
241 1, 1999; and (5) at the rate of four and one-half per cent of its hospital
242 gross earnings in each taxable quarter commencing on or after October
243 1, 1999, and prior to April 1, 2000. The hospital gross earnings of each
244 hospital in this state shall not be subject to the provisions of this
245 chapter with respect to calendar quarters commencing on or after
246 April 1, 2000. Each hospital shall, on or before the last day of January,
247 April, July and October of each year, render to the Commissioner of
248 Revenue Services a return, on forms prescribed or furnished by the
249 Commissioner of Revenue Services and signed by one of its principal
250 officers, stating specifically the name and location of such hospital, and
251 the amounts of its hospital gross earnings, its net revenue and its gross
252 revenue for the calendar quarter ending the last day of the preceding
253 month. Payment shall be made with such return.

254 Sec. 9. Subdivision (2) of subsection (a) of section 12-458 of the
255 general statutes is repealed and the following is substituted in lieu
256 thereof:

257 (2) On said date and coincident with the filing of such return each
258 distributor shall pay to the commissioner for the account of the
259 purchaser or consumer a tax (A) on each gallon of such fuels sold or
260 used in this state during the preceding calendar month of twenty-six
261 cents on and after January 1, 1992, twenty-eight cents on and after
262 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents
263 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,
264 thirty-two cents on and after January 1, 1995, thirty-three cents on and
265 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-
266 five cents on and after January 1, 1996, thirty-six cents on and after
267 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight
268 cents on and after October 1, 1996, thirty-nine cents on and after
269 January 1, 1997, thirty-six cents on and after July 1, 1997, [and] thirty-
270 two cents on and after July 1, 1998, twenty-eight cents on and after July
271 1, 2000, twenty-seven cents on and after July 1, 2001, and twenty-five
272 cents on and after July 1, 2002; and (B) in lieu of said taxes, each
273 distributor shall pay a tax on each gallon of gasohol, as defined in
274 section 14-1, as amended, sold or used in this state during such
275 preceding calendar month, of twenty-five cents on and after January 1,
276 1992, twenty-seven cents on and after January 1, 1993, twenty-eight
277 cents on and after July 1, 1993, twenty-nine cents on and after January
278 1, 1994, thirty cents on and after July 1, 1994, thirty-one cents on and
279 after January 1, 1995, thirty-two cents on and after July 1, 1995, thirty-
280 three cents on and after October 1, 1995, thirty-four cents on and after
281 January 1, 1996, thirty-five cents on and after April 1, 1996, thirty-six
282 cents on and after July 1, 1996, thirty-seven cents on and after October
283 1, 1996, thirty-eight cents on and after January 1, 1997, thirty-five cents
284 on and after July 1, 1997, [and] thirty-one cents on and after July 1,
285 1998, twenty-eight cents on and after July 1, 2000, twenty-seven cents
286 on and after July 1, 2001, and twenty-five cents on and after July 1,
287 2002; and (C) in lieu of such rate, on each gallon of diesel fuel, propane
288 or natural gas sold or used in this state on and after September 1, 1991,
289 during such preceding calendar month, of eighteen cents.

290 Sec. 10. Subdivision (1) of subsection (c) of section 14-332a of the

291 general statutes is repealed and the following is substituted in lieu
292 thereof:

293 (1) During the period commencing on July 1, 1998, and ending on
294 October 1, 1998, upon the reduction in the tax required by section 12-
295 458, as amended by this act, that is effective July 1, 1998, and during
296 the period commencing on July 1, 2000, and ending October 1, 2000,
297 upon the reduction in the tax required by said section 12-458, that is
298 effective July 1, 2000, each retail dealer shall, in accordance with
299 subdivision (2) of this subsection, reduce the per-gallon price of
300 gasoline or other product intended for use in the propelling of motor
301 vehicles using combustion type engines sold by such retail dealer at
302 retail in an amount equal to the amount of the reduction in such tax
303 that is imposed on each gallon of such gasoline or other product. Such
304 retail dealer shall maintain any such price reduction in effect for a
305 period of not less than [ninety] one hundred twenty days after such tax
306 reduction.

307 Sec. 11. (NEW) From August fifteenth until August twenty-first and
308 from January fifteenth until January twenty-first of each year, the
309 provisions of chapter 219 of the general statutes shall not apply to sales
310 of any article of clothing or footwear intended to be worn on or about
311 the human body the cost of which article to the purchaser is less than
312 three hundred dollars. For purposes of this section, clothing or
313 footwear shall not include (A) any special clothing or footwear
314 primarily designed for athletic activity or protective use and which is
315 not normally worn except when used for the athletic activity or
316 protective use for which it was designed, and (B) jewelry, handbags,
317 luggage, umbrellas, wallets, watches and similar items carried on or
318 about the human body but not worn on the body in the manner
319 characteristic of clothing intended for exemption under this
320 subdivision.

321 Sec. 12. Subdivision (2) of section 12-407, as amended by section 10
322 of public act 99-173 and section 10 of public act 99-285, is repealed and
323 the following is substituted in lieu thereof:

324 (2) "Sale" and "selling" mean and include: (a) Any transfer of title,
325 exchange or barter, conditional or otherwise, in any manner or by any
326 means whatsoever, of tangible personal property for a consideration;
327 (b) any withdrawal, except a withdrawal pursuant to a transaction in
328 foreign or interstate commerce, of tangible personal property from the
329 place where it is located for delivery to a point in this state for the
330 purpose of the transfer of title, exchange or barter, conditional or
331 otherwise, in any manner or by any means whatsoever, of the property
332 for a consideration; (c) the producing, fabricating, processing, printing
333 or imprinting of tangible personal property for a consideration for
334 consumers who furnish either directly or indirectly the materials used
335 in the producing, fabricating, processing, printing or imprinting,
336 including, but not limited to, sign construction, photofinishing,
337 duplicating and photocopying; (d) the furnishing and distributing of
338 tangible personal property for a consideration by social clubs and
339 fraternal organizations to their members or others; (e) the furnishing,
340 preparing, or serving for a consideration of food, meals or drinks; (f) a
341 transaction whereby the possession of property is transferred but the
342 seller retains the title as security for the payment of the price; (g) a
343 transfer for a consideration of the title of tangible personal property
344 which has been produced, fabricated or printed to the special order of
345 the customer, or of any publication, including, but not limited to, sign
346 construction, photofinishing, duplicating and photocopying; (h) a
347 transfer for a consideration of the occupancy of any room or rooms in a
348 hotel or lodging house for a period of thirty consecutive calendar days
349 or less; (i) the rendering of certain services for a consideration,
350 exclusive of such services rendered by an employee for his or her
351 employer, as follows: (A) Computer and data processing services,
352 including, but not limited to, time, and exclusive of services rendered
353 in connection with the creation, development hosting or maintenance
354 of all or part of a web site which is part of the graphical, hypertext
355 portion of the Internet, commonly referred to as the World-Wide Web,
356 (B) credit information and reporting services, (C) services by
357 employment agencies and agencies providing personnel services, (D)
358 private investigation, protection, patrol work, watchman and armored

359 car services, exclusive of services of off-duty police officers and
360 off-duty fire fighters, (E) painting and lettering services, (F)
361 photographic studio services, (G) telephone answering services, (H)
362 stenographic services, (I) services to industrial, commercial or
363 income-producing real property, including, but not limited to, such
364 services as management, electrical, plumbing, painting and carpentry
365 and excluding any such services rendered in the voluntary evaluation,
366 prevention, treatment, containment or removal of hazardous waste, as
367 defined in section 22a-115, or other contaminants of air, water or soil,
368 provided income-producing property shall not include property used
369 exclusively for residential purposes in which the owner resides and
370 which contains no more than three dwelling units, or a housing facility
371 for low and moderate income families and persons owned or operated
372 by a nonprofit housing organization, as defined in subsection (29) of
373 section 12-412, as amended, (J) business analysis, management,
374 management consulting and public relations services, excluding (i) any
375 environmental consulting services, and (ii) any training services
376 provided by an institution of higher education licensed or accredited
377 by the Board of Governors of Higher Education pursuant to section
378 10a-34, (K) services providing "piped-in" music to business or
379 professional establishments, (L) flight instruction and chartering
380 services by a certificated air carrier on an aircraft, the use of which for
381 such purposes, but for the provisions of subsection (4) of section 12-410
382 and subsection (12) of section 12-411, would be deemed a retail sale
383 and a taxable storage or use, respectively, of such aircraft by such
384 carrier, (M) motor vehicle repair services, including any type of repair,
385 painting or replacement related to the body or any of the operating
386 parts of a motor vehicle, (N) motor vehicle parking, including the
387 provision of space, other than metered space, in a lot having thirty or
388 more spaces, excluding (i) space in a seasonal parking lot provided by
389 a person who is exempt from taxation under this chapter pursuant to
390 subsection (1), as amended, (5) or (8) of section 12-412, (ii) space in a
391 parking lot owned or leased under the terms of a lease of not less than
392 ten years' duration and operated by an employer for the exclusive use
393 of its employees, (iii) valet parking provided at any airport, and (iv)

394 space in municipally-operated railroad parking facilities in
395 municipalities located within an area of the state designated as a
396 severe nonattainment area for ozone under the federal Clean Air Act,
397 (O) radio or television repair services, (P) furniture reupholstering and
398 repair services, (Q) repair services to any electrical or electronic device,
399 including, but not limited to, such equipment used for purposes of
400 refrigeration or air-conditioning, (R) lobbying or consulting services
401 for purposes of representing the interests of a client in relation to the
402 functions of any governmental entity or instrumentality, (S) services of
403 the agent of any person in relation to the sale of any item of tangible
404 personal property for such person, exclusive of the services of a
405 consignee selling works of art, as defined in subsection (b) of section
406 12-376c, or articles of clothing or footwear intended to be worn on or
407 about the human body other than (i) any special clothing or footwear
408 primarily designed for athletic activity or protective use [and] which is
409 not normally worn except when used for the athletic activity or
410 protective use for which it was designed and (ii) jewelry, handbags,
411 luggage, umbrellas, wallets, watches and similar items carried on or
412 about the human body but not worn on the body in the manner
413 characteristic of clothing intended for exemption under subdivision
414 (47) of section 12-412, under consignment, exclusive of services
415 provided by an auctioneer, (T) locksmith services, (U) advertising or
416 public relations services, including layout, art direction, graphic
417 design, mechanical preparation or production supervision, not related
418 to the development of media advertising or cooperative direct mail
419 advertising, (V) landscaping and horticulture services, (W) window
420 cleaning services, (X) maintenance services, (Y) janitorial services, (Z)
421 exterminating services, (AA) swimming pool cleaning and
422 maintenance services, (BB) renovation and repair services as set forth
423 in this subparagraph, to other than industrial, commercial or
424 income-producing real property: Paving of any sort, painting or
425 staining, wallpapering, roofing, siding and exterior sheet metal work,
426 (CC) miscellaneous personal services included in industry group 729
427 in the Standard Industrial Classification Manual, United States Office
428 of Management and Budget, 1987 edition, exclusive of (i) services

429 rendered by massage therapists licensed pursuant to chapter 384a, and
430 (ii) services rendered by a hypertrichologist licensed pursuant to
431 chapter 388, (DD) any repair or maintenance service to any item of
432 tangible personal property including any contract of warranty or
433 service related to any such item, (EE) business analysis, management
434 or managing consulting services rendered by a general partner, or an
435 affiliate thereof, to a limited partnership, provided (i) that the general
436 partner, or an affiliate thereof, is compensated for the rendition of such
437 services other than through a distributive share of partnership profits
438 or an annual percentage of partnership capital or assets established in
439 the limited partnership's offering statement, and (ii) the general
440 partner, or an affiliate thereof, offers such services to others, including
441 any other partnership. As used in subparagraph (EE)(i) "an affiliate of
442 a general partner" means an entity which is directly or indirectly
443 owned fifty per cent or more in common with a general partner; and
444 (FF) notwithstanding the provisions of section 12-412, as amended by
445 this act, except subsection (87) thereof, patient care services, as defined
446 in subsection (30) of this section by a hospital; (j) the leasing or rental
447 of tangible personal property of any kind whatsoever, including, but
448 not limited to, motor vehicles, linen or towels, machinery or apparatus,
449 office equipment and data processing equipment, provided for
450 purposes of this subdivision and the application of sales and use tax to
451 contracts of lease or rental of tangible personal property, the leasing or
452 rental of any motion picture film by the owner or operator of a motion
453 picture theater for purposes of display at such theater shall not
454 constitute a sale within the meaning of this subsection; (k) the
455 rendering of telecommunications service, as defined in subsection (26)
456 of this section, for a consideration on or after January 1, 1990, exclusive
457 of any such service rendered by an employee for his or her employer,
458 subject to the provisions related to telecommunications service in
459 accordance with section 12-407a; (l) the rendering of community
460 antenna television service, as defined in subsection (27) of this section,
461 for a consideration on or after January 1, 1990, exclusive of any such
462 service rendered by an employee for his or her employer; (m) the
463 transfer for consideration of space or the right to use any space for the

464 purpose of storage or mooring of any noncommercial vessel, exclusive
465 of dry or wet storage or mooring of such vessel during the period
466 commencing on the first day of November in any year to and
467 including the thirtieth day of April of the next succeeding year; (n) the
468 sale for consideration of naming rights to any place of amusement,
469 entertainment or recreation within the meaning of subdivision (3) of
470 section 12-540; (o) admitting a patron into a motion picture show for a
471 charge of five dollars or more. Wherever in this chapter reference is
472 made to the sale of tangible personal property or services, it shall be
473 construed to include sales described in this subsection, except as may
474 be specifically provided to the contrary.

475 Sec. 13. Subdivision (3) of section 12-540 of the general statutes, as
476 amended by section 49 of public act 99-173, is repealed and the
477 following is substituted in lieu thereof:

478 (3) "Admission charge" means the amount paid, whether in the form
479 of a ticket price, license fee, skybox, luxury suite or club seat rental
480 charge or purchase price, or otherwise, for the right or privilege to
481 have access to a place or location where amusement, entertainment or
482 recreation is provided, exclusive of any charges for instruction, and
483 including any preferred seat license fee or any other payment required
484 in order to have the right to purchase seats or secure admission to any
485 such place or location. Places of amusement, entertainment or
486 recreation include, but are not limited to, theaters, [motion picture
487 shows,] auditoriums where lectures and concerts are given,
488 amusement parks, fairgrounds, race tracks, dance halls, ball parks,
489 stadiums, amphitheaters, convention centers, golf courses, miniature
490 golf courses, tennis courts, skating rinks, swimming pools, bathing
491 beaches, gymnasiums, auto shows, boat shows, camping shows, home
492 shows, dog shows and antique shows.

493 Sec. 14. Section 12-541 of the general statutes, as amended by section
494 16 of public act 99-121, section 52 of public act 99-173, section 57 of
495 public act 99-241 and section 27 of public act 99-1 of the June special
496 session, is repealed and the following is substituted in lieu thereof:

497 There is hereby imposed a tax of ten per cent of the admission
498 charge to any place of amusement, entertainment or recreation, except
499 that no tax shall be imposed with respect to any admission charge (1)
500 when the admission charge is less than one dollar, [or, in the case of
501 any motion picture show, when the admission charge is not more than
502 five dollars,] (2) when a daily admission charge is imposed which
503 entitles the patron to participate in an athletic or sporting activity, (3)
504 to any event, other than events held at the sportsplex, as defined in
505 section 32-651, all of the proceeds from which inure exclusively to an
506 entity which is exempt from federal income tax under the Internal
507 Revenue Code, provided such entity actively engages in and assumes
508 the financial risk associated with the presentation of such event, (4) to
509 any event, other than events held at the sportsplex, as defined in
510 section 32-651, which in the opinion of the commissioner, is conducted
511 primarily to raise funds for an entity which is exempt from federal
512 income tax under the Internal Revenue Code, provided the
513 commissioner is satisfied that the net profit which inures to such entity
514 from such event will exceed the amount of the admissions tax which,
515 but for this subdivision, would be imposed upon the person making
516 such charge to such event, (5) to (A) any event at the Hartford Civic
517 Center, the New Haven Coliseum, New Britain Beehive Stadium, New
518 Britain Stadium, effective for events occurring on or after the date such
519 stadium was placed in service, New Britain Veterans Memorial
520 Stadium, Bridgeport Harbor Yard Stadium, Stafford Motor Speedway,
521 Lime Rock Park, Thompson Speedway and Waterford Speedbowl,
522 facilities owned or managed by the Tennis Foundation of Connecticut
523 or any successor organization or the William A. O'Neill Convocation
524 Center, and (B) games of the New Britain Rock Cats, New Haven
525 Ravens or the Waterbury Spirit, (6) other than for events held at the
526 sportsplex, as defined in section 32-651, paid by centers of service for
527 elderly persons, as described in subdivision (d) of section 17b-425, (7)
528 to any production featuring live performances by actors or musicians
529 presented at Gateway's Candlewood Playhouse, Ocean Beach Park or
530 any nonprofit theater or playhouse in the state, provided such theater
531 or playhouse possesses evidence confirming exemption from federal

532 tax under Section 501 of the Internal Revenue Code, or (8) to any
533 carnival or amusement ride. The tax shall be imposed upon the person
534 making such charge and reimbursement for the tax shall be collected
535 by such person from the purchaser. Such reimbursement, termed "tax",
536 shall be paid by the purchaser to the person making the admission
537 charge. Such tax, when added to the admission charge, shall be a debt
538 from the purchaser to the person making the admission charge and
539 shall be recoverable at law. The amount of tax reimbursement, when
540 so collected, shall be deemed to be a special fund in trust for the state
541 of Connecticut.

542 Sec. 15. Subdivisions (8) and (9) of section 12-407 of the general
543 statutes are repealed and the following is substituted in lieu thereof:

544 (8) (A) "Sales price" means the total amount for which tangible
545 personal property is sold by a retailer, the total amount of rent for
546 which occupancy of a room is transferred by an operator, the total
547 amount for which any service described in subsection (2) of this
548 section, as amended, is rendered by a retailer or the total amount of
549 payment or periodic payments for which tangible personal property is
550 leased by a retailer, valued in money, whether paid in money or
551 otherwise, which amount is due and owing to the retailer or operator
552 and, subject to the provisions of subsection (1) of section 12-408,
553 whether or not actually received by the retailer or operator, without
554 any deduction on account of any of the following: (i) The cost of the
555 property sold; (ii) the cost of materials used, labor or service cost,
556 interest charged, losses or any other expenses; (iii) for any sale
557 occurring on or after July 1, 1993, any charges by the retailer to the
558 purchaser for shipping or delivery, notwithstanding whether such
559 charges are separately stated in a written contract, or on a bill or
560 invoice rendered to such purchaser or whether such shipping or
561 delivery is provided by the retailer or a third party. The provisions of
562 subparagraph (A) (iii) shall not apply to any item exempt from
563 taxation pursuant to section 12-412, as amended. Such total amount
564 includes any services that are a part of the sale; except as otherwise
565 provided in subparagraph (B)(v) or (B)(vi) of this subsection, any

566 amount for which credit is given to the purchaser by the retailer, and
567 all compensation and all employment-related expenses, whether or not
568 separately stated, paid to or on behalf of employees of a retailer of any
569 service described in subsection (2) of this section. (B) "Sales price" does
570 not include any of the following: (i) Cash discounts allowed and taken
571 on sales; (ii) any portion of the amount charged for property returned
572 by purchasers, which upon rescission of the contract of sale is
573 refunded either in cash or credit, provided the property is returned
574 within ninety days from the date of purchase; (iii) the amount of any
575 tax, not including any manufacturers' or importers' excise tax, imposed
576 by the United States upon or with respect to retail sales whether
577 imposed upon the retailer or the purchaser; (iv) the amount charged
578 for labor rendered in installing or applying the property sold,
579 provided such charge is separately stated and exclusive of such charge
580 for any service rendered within the purview of subparagraph (I) of
581 subdivision (i) of subsection (2) of this section; (v) unless the
582 provisions of subsection (4) of section 12-430 or of section 12-430a are
583 applicable, any amount for which credit is given to the purchaser by
584 the retailer, provided such credit is given solely for property of the
585 same kind accepted in part payment by the retailer and intended by
586 the retailer to be resold; (vi) the full face value of any coupon used by a
587 purchaser to reduce the price paid to a retailer for an item of tangible
588 personal property, whether or not the retailer will be reimbursed for
589 such coupon, in whole or in part, by the manufacturer of the item of
590 tangible personal property or by a third party; (vii) the amount
591 charged for separately stated compensation, fringe benefits, workers'
592 compensation and payroll taxes or assessments paid to or on behalf of
593 employees of a retailer who has contracted to manage a service
594 recipient's property or business premises and renders management
595 services described in subdivision (i) of subsection (2) of this section, as
596 amended, provided, the employees perform such services solely for
597 the service recipient at its property or business premises and "sales
598 price" shall include the separately stated compensation, fringe benefits,
599 workers' compensation and payroll taxes or assessments paid to or on
600 behalf of any employee of the retailer who is an officer, director or

601 owner of more than five per cent of the outstanding capital stock of the
602 retailer. Determination whether an employee performs services solely
603 for a service recipient at its property or business premises for purposes
604 of this subdivision shall be made by reference to such employee's
605 activities during the time period beginning on the later of the
606 commencement of the management contract, the date of the
607 employee's first employment by the retailer or the date which is six
608 months immediately preceding the date of such determination; (viii)
609 the amount charged for separately stated compensation, fringe
610 benefits, workers' compensation and payroll taxes or assessments paid
611 to or on behalf of (I) a leased employee, or (II) a worksite employee by
612 a professional employer organization pursuant to a professional
613 employer agreement. For purposes of this subparagraph, an employee
614 shall be treated as a leased employee if the employee is provided to the
615 client at the commencement of an agreement with an employee leasing
616 organization under which at least seventy-five per cent of the
617 employees provided to the client at the commencement of such initial
618 agreement qualify as leased employees pursuant to Section 414(n) of
619 the Internal Revenue Code of 1986, or any subsequent corresponding
620 internal revenue code of the United States, as from time to time
621 amended, or the employee is added to the client's workforce by the
622 employee leasing organization subsequent to the commencement of
623 such initial agreement and qualifies as a leased employee pursuant to
624 Section 414(n) of said Internal Revenue Code of 1986 without regard to
625 subparagraph (B) of paragraph (2) thereof. A leased employee, or a
626 worksite employee subject to a professional employer agreement, shall
627 not include any employee who is hired by a temporary help service
628 and assigned to support or supplement the workforce of a temporary
629 help service's client; and (ix) any amount received by a retailer from a
630 purchaser as the battery deposit that is required to be paid under
631 subsection (a) of section 22a-245h; the refund value of a beverage
632 container that is required to be paid under subsection (a) of section
633 22a-244; or a deposit that is required by law to be paid by the
634 purchaser to the retailer and that is required by law to be refunded to
635 the purchaser by the retailer when the same or similar tangible

636 personal property is delivered as required by law to the retailer by the
637 purchaser, if such amount is separately stated on the bill or invoice
638 rendered by the retailer to the purchaser.

639 (9) (A) "Gross receipts" means the total amount of the sales price
640 from retail sales of tangible personal property by a retailer, the total
641 amount of the rent from transfers of occupancy of rooms by an
642 operator, the total amount of the sales price from retail sales of any
643 service described in subsection (2) of this section, as amended, by a
644 retailer of services, or the total amount of payment or periodic
645 payments from leases or rentals of tangible personal property by a
646 retailer, valued in money, whether received in money or otherwise,
647 which amount is due and owing to the retailer or operator and, subject
648 to the provisions of subsection (1) of section 12-408, as amended,
649 whether or not actually received by the retailer or operator, without
650 any deduction on account of any of the following: (i) The cost of the
651 property sold; however, in accordance with such regulations as the
652 Commissioner of Revenue Services may prescribe, a deduction may be
653 taken if the retailer has purchased property for some other purpose
654 than resale, has reimbursed his vendor for tax which the vendor is
655 required to pay to the state or has paid the use tax with respect to the
656 property, and has resold the property prior to making any use of the
657 property other than retention, demonstration or display while holding
658 it for sale in the regular course of business. If such a deduction is taken
659 by the retailer, no refund or credit will be allowed to his vendor with
660 respect to the sale of the property; (ii) the cost of the materials used,
661 labor or service cost, interest paid, losses or any other expense; (iii) for
662 any sale occurring on or after July 1, 1993, except for any item exempt
663 from taxation pursuant to section 12-412, as amended, any charges by
664 the retailer to the purchaser for shipping or delivery, notwithstanding
665 whether such charges are separately stated in the written contract, or
666 on a bill or invoice rendered to such purchaser or whether such
667 shipping or delivery is provided by the retailer or a third party. The
668 total amount of the sales price includes any services that are a part of
669 the sale; all receipts, cash, credits and property of any kind; except as

670 otherwise provided in subparagraph (B)(v) or (B)(vi) of this subsection,
671 any amount for which credit is allowed by the retailer to the purchaser;
672 and all compensation and all employment-related expenses, whether
673 or not separately stated, paid to or on behalf of employees of a retailer
674 of any service described in subsection (2) of this section. (B) "Gross
675 receipts" do not include any of the following: (i) Cash discounts
676 allowed and taken on sales; (ii) any portion of the sales price of
677 property returned by purchasers, which upon rescission of the contract
678 of sale is refunded either in cash or credit, provided the property is
679 returned within ninety days from the date of sale; (iii) the amount of
680 any tax, not including any manufacturers' or importers' excise tax,
681 imposed by the United States upon or with respect to retail sales
682 whether imposed upon the retailer or the purchaser; (iv) the amount
683 charged for labor rendered in installing or applying the property sold,
684 provided such charge is separately stated and exclusive of such charge
685 for any service rendered within the purview of subparagraph (I) of
686 subdivision (i) of subsection (2) of this section; (v) unless the
687 provisions of subsection (4) of section 12-430 or of section 12-430a are
688 applicable, any amount for which credit is given to the purchaser by
689 the retailer, provided such credit is given solely for property of the
690 same kind accepted in part payment by the retailer and intended by
691 the retailer to be resold; (vi) the full face value of any coupon used by a
692 purchaser to reduce the price paid to the retailer for an item of tangible
693 personal property, whether or not the retailer will be reimbursed for
694 such coupon, in whole or in part, by the manufacturer of the item of
695 tangible personal property or by a third party; (vii) the amount
696 charged for separately stated compensation, fringe benefits, workers'
697 compensation and payroll taxes or assessments paid to or on behalf of
698 employees of a retailer who has contracted to manage a service
699 recipient's property or business premises and renders management
700 services described in subdivision (i) of subsection (2) of this section,
701 provided the employees perform such services solely for the service
702 recipient at its property or business premises and "gross receipts" shall
703 include the separately stated compensation, fringe benefits, workers'
704 compensation and payroll taxes or assessments paid to or on behalf of

705 any employee of the retailer who is an officer, director or owner of
706 more than five per cent of the outstanding capital stock of the retailer.
707 Determination whether an employee performs services solely for a
708 service recipient at its property or business premises for purposes of
709 this subdivision shall be made by reference to such employee's
710 activities during the time period beginning on the later of the
711 commencement of the management contract, the date of the
712 employee's first employment by the retailer or the date which is six
713 months immediately preceding the date of such determination; (viii)
714 the amount charged for separately stated compensation, fringe
715 benefits, workers' compensation and payroll taxes or assessments paid
716 to or on behalf of (I) a leased employee, or (II) a worksite employee by
717 a professional employer organization pursuant to a professional
718 employer agreement. For purposes of this subparagraph, an employee
719 shall be treated as a leased employee if the employee is provided to the
720 client at the commencement of an agreement with an employee leasing
721 organization under which at least seventy-five per cent of the
722 employees provided to the client at the commencement of such initial
723 agreement qualify as leased employees pursuant to Section 414(n) of
724 the Internal Revenue Code of 1986, or any subsequent corresponding
725 internal revenue code of the United States, as from time to time
726 amended, or the employee is added to the client's workforce by the
727 employee leasing organization subsequent to the commencement of
728 such initial agreement and qualifies as a leased employee pursuant to
729 Section 414(n) of said Internal Revenue Code of 1986 without regard to
730 subparagraph (B) of paragraph (2) thereof. A leased employee, or a
731 worksite employee subject to a professional employer agreement, shall
732 not include any employee who is hired by a temporary help service
733 and assigned to support or supplement the workforce of a temporary
734 help service's client; and (ix) the amount received by a retailer from a
735 purchaser as the battery deposit that is required to be paid under
736 subsection (a) of section 22a-256h; the refund value of a beverage
737 container that is required to be paid under subsection (a) of section
738 22a-244 or a deposit that is required by law to be paid by the purchaser
739 to the retailer and that is required by law to be refunded to the

740 purchaser by the retailer when the same or similar tangible personal
741 property is delivered as required by law to the retailer by the
742 purchaser, if such amount is separately stated on the bill or invoice
743 rendered by the retailer to the purchaser.

744 Sec. 16. Section 12-407 of the general statutes, as amended by
745 sections 10 to 12, inclusive, of public act 99-173 and section 10 of public
746 act 99-285, is amended by adding subdivisions (31) to (33), inclusive, as
747 follows:

748 (NEW) (31) "Professional employer agreement" means a written
749 contract between a professional employer organization and a service
750 recipient whereby the professional employer organization agrees to
751 provide at least seventy-five per cent of the employees at the service
752 recipient's worksite, which contract provides that such worksite
753 employees are intended to be permanent employees rather than
754 temporary employees, and employer responsibilities for such worksite
755 employees, including hiring, firing and disciplining, are allocated
756 between the professional employer organization and the service
757 recipient.

758 (NEW) (32) "Professional employer organization" means any person
759 that enters into a professional employer agreement with a service
760 recipient whereby the professional employer organization agrees to
761 provide at least seventy-five per cent of the employees at the service
762 recipient's worksite.

763 (NEW) (33) "Worksite employee" means an employee, the employer
764 responsibilities for which, including hiring, firing and disciplining, are
765 allocated, under a professional employer agreement, between a
766 professional employer organization and a service recipient.

767 Sec. 17. (NEW) (a) For income years commencing on or after
768 January 1, 2000, there shall be allowed as a credit against the tax
769 imposed by section 12-202a of the general statutes an amount as
770 calculated pursuant to subsection (b) of this section.

771 (b) The amount of credit allowed in any income year shall be equal
772 to fifty-five dollars multiplied by the sum of the number of persons
773 provided health care coverage by the taxpayer under the HUSKY
774 Medicaid Plan Part A, HUSKY Part B, or the HUSKY Plus programs,
775 each as defined in section 17b-290 of the general statutes, as amended,
776 on the first day of each month of the income year for which the credit
777 is taken, divided by twelve.

778 (c) The credit allowed under this section shall not be taken into
779 account for purposes of the instalment payments due under section 12-
780 204c of the general statutes but shall be taken into account in the
781 annual return required under section 12-205 of the general statutes.

782 (d) The amount of credit allowed any taxpayer under this section for
783 any income year may not exceed the amount of tax due from such
784 taxpayer under section 12-202a of the general statutes with respect to
785 such income year.

786 Sec. 18. (NEW) (a) The Commissioner of Revenue Services shall
787 grant a credit against any tax due under the provisions of chapter 207,
788 208, 209, 210, 211 or 212 of the general statutes, for the donation to a
789 local or regional board of education or a public school of new
790 computers or used computers that are not more than two years old at
791 the time of the donation in accordance with this section. The amount of
792 the credit shall not exceed fifty per cent of the fair market value of the
793 new or used computer as described in this section.

794 (b) Any business firm may apply to the Commissioner of Revenue
795 Services for a tax credit under this section. The commissioner, in
796 consultation with the Commissioner of Education, shall develop an
797 application form for such credit which shall contain, but not be limited
798 to, the following information: (1) The number of computers to be
799 donated, (2) to whom the donation will be made, (3) when the
800 donation will be made, (4) the fair market value of the donated
801 computers, and (5) such additional information as the commissioner
802 may prescribe. A copy of a written agreement between the business

803 firm and the local or regional board of education or public school shall
804 be submitted with the application. The agreement shall provide for the
805 acceptance of the computers by the board of education or public
806 school, an acknowledgement that the computers are in good working
807 condition and a requirement for the business firm to install, set up and
808 provide training to school staff on such computers.

809 (c) Such applications may be submitted to the Commissioner of
810 Revenue Services on an ongoing basis. The commissioner shall review
811 each application and shall, not later than thirty days following its
812 receipt, approve or disapprove the application. The decision of the
813 commissioner to approve or disapprove an application pursuant to the
814 provisions of this section shall be in writing and, if the commissioner
815 approves the proposal, the commissioner shall state the maximum
816 credit allowable to the business firm. A copy of the decision shall be
817 attached to the tax return of the business firm upon which the tax
818 credit granted pursuant to this section is claimed.

819 (d) (1) The amount of the credit granted to any business firm under
820 the provisions of this section shall not exceed seventy-five thousand
821 dollars annually. The total amount of all tax credits allowed to all
822 business firms pursuant to the provisions of this section shall not
823 exceed one million dollars in any one fiscal year. (2) The credit may
824 only be used to reduce the taxpayer's tax liability for the year in which
825 the donation is made and shall not be used to reduce such liability to
826 less than zero.

827 Sec. 19. This act shall take effect from its passage, and sections 7 and
828 18 shall be applicable to income years commencing on and after
829 January 1, 2000, and section 17 shall be applicable to taxable years
830 commencing January 1, 2000, except that sections 1 to 5, inclusive, and
831 15 and 16 shall take effect July 1, 2000, and shall be applicable to sales
832 occurring on and after July 1, 2000, and section 6 shall take effect July
833 1, 2000, and shall be applicable to gifts made on or after January 1,
834 2001, and sections 12 to 14, inclusive, shall take effect January 1, 2001,
835 and section 12 shall be applicable to sales occurring on and after

836 January 1, 2001.

FIN Committee Vote: Yea 46 Nay 0 JFS