



General Assembly

February Session, 2000

**Committee Bill No. 21**

LCO No. 1797

Referred to Committee on Energy and Technology

Introduced by:  
(ET)

***An Act Concerning The Sales Tax On Cable Television Service.***

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

1 Section 1. Subdivision (2) of section 12-407 of the general statutes, as  
2 amended by section 10 of public act 99-173 and section 10 of public act  
3 99-285, is repealed and the following is substituted in lieu thereof:

4 (2) "Sale" and "selling" mean and include: (a) Any transfer of title,  
5 exchange or barter, conditional or otherwise, in any manner or by any  
6 means whatsoever, of tangible personal property for a consideration;  
7 (b) any withdrawal, except a withdrawal pursuant to a transaction in  
8 foreign or interstate commerce, of tangible personal property from the  
9 place where it is located for delivery to a point in this state for the  
10 purpose of the transfer of title, exchange or barter, conditional or  
11 otherwise, in any manner or by any means whatsoever, of the property  
12 for a consideration; (c) the producing, fabricating, processing, printing  
13 or imprinting of tangible personal property for a consideration for  
14 consumers who furnish either directly or indirectly the materials used  
15 in the producing, fabricating, processing, printing or imprinting,  
16 including but not limited to, sign construction, photofinishing,  
17 duplicating and photocopying; (d) the furnishing and distributing of

18 tangible personal property for a consideration by social clubs and  
19 fraternal organizations to their members or others; (e) the furnishing,  
20 preparing, or serving for a consideration of food, meals or drinks; (f) a  
21 transaction whereby the possession of property is transferred but the  
22 seller retains the title as security for the payment of the price; (g) a  
23 transfer for a consideration of the title of tangible personal property  
24 which has been produced, fabricated or printed to the special order of  
25 the customer, or of any publication, including but not limited to, sign  
26 construction, photofinishing, duplicating and photocopying; (h) a  
27 transfer for a consideration of the occupancy of any room or rooms in a  
28 hotel or lodging house for a period of thirty consecutive calendar days  
29 or less; (i) the rendering of certain services for a consideration,  
30 exclusive of such services rendered by an employee for his employer,  
31 as follows: (A) Computer and data processing services, including but  
32 not limited to, time, and exclusive of services rendered in connection  
33 with the creation, development hosting or maintenance of all or part of  
34 a web site which is part of the graphical, hypertext portion of the  
35 Internet, commonly referred to as the World-Wide Web, (B) credit  
36 information and reporting services, (C) services by employment  
37 agencies and agencies providing personnel services, (D) private  
38 investigation, protection, patrol work, watchman and armored car  
39 services, exclusive of services of off-duty police officers and off-duty  
40 fire fighters, (E) painting and lettering services, (F) photographic  
41 studio services, (G) telephone answering services, (H) stenographic  
42 services, (I) services to industrial, commercial or income-producing  
43 real property, including but not limited to, such services as  
44 management, electrical, plumbing, painting and carpentry and  
45 excluding any such services rendered in the voluntary evaluation,  
46 prevention, treatment, containment or removal of hazardous waste, as  
47 defined in section 22a-115, or other contaminants of air, water or soil,  
48 provided income-producing property shall not include property used  
49 exclusively for residential purposes in which the owner resides and  
50 which contains no more than three dwelling units, or a housing facility  
51 for low and moderate income families and persons owned or operated

52 by a nonprofit housing organization, as defined in subsection (29) of  
53 section 12-412, (J) business analysis, management, management  
54 consulting and public relations services, excluding (i) any  
55 environmental consulting services, and (ii) any training services  
56 provided by an institution of higher education licensed or accredited  
57 by the Board of Governors of Higher Education pursuant to section  
58 10a-34, (K) services providing "piped-in" music to business or  
59 professional establishments, (L) flight instruction and chartering  
60 services by a certificated air carrier on an aircraft, the use of which for  
61 such purposes, but for the provisions of subsection (4) of section 12-410  
62 and subsection (12) of section 12-411, would be deemed a retail sale  
63 and a taxable storage or use, respectively, of such aircraft by such  
64 carrier, (M) motor vehicle repair services, including any type of repair,  
65 painting or replacement related to the body or any of the operating  
66 parts of a motor vehicle, (N) motor vehicle parking, including the  
67 provision of space, other than metered space, in a lot having thirty or  
68 more spaces, excluding (i) space in a seasonal parking lot provided by  
69 a person who is exempt from taxation under this chapter pursuant to  
70 subsection (1), (5) or (8) of section 12-412, (ii) space in a parking lot  
71 owned or leased under the terms of a lease of not less than ten years'  
72 duration and operated by an employer for the exclusive use of its  
73 employees, (iii) valet parking provided at any airport, and (iv) space in  
74 municipally-operated railroad parking facilities in municipalities  
75 located within an area of the state designated as a severe  
76 nonattainment area for ozone under the federal Clean Air Act, (O)  
77 radio or television repair services, (P) furniture reupholstering and  
78 repair services, (Q) repair services to any electrical or electronic device,  
79 including but not limited to, such equipment used for purposes of  
80 refrigeration or air-conditioning, (R) lobbying or consulting services  
81 for purposes of representing the interests of a client in relation to the  
82 functions of any governmental entity or instrumentality, (S) services of  
83 the agent of any person in relation to the sale of any item of tangible  
84 personal property for such person, exclusive of the services of a  
85 consignee selling works of art, as defined in subsection (b) of section

86 12-376c, or articles of clothing or footwear intended to be worn on or  
87 about the human body other than (i) any special clothing or footwear  
88 primarily designed for athletic activity or protective use and which is  
89 not normally worn except when used for the athletic activity or  
90 protective use for which it was designed and (ii) jewelry, handbags,  
91 luggage, umbrellas, wallets, watches and similar items carried on or  
92 about the human body but not worn on the body in the manner  
93 characteristic of clothing intended for exemption under subdivision  
94 (47) of section 12-412, under consignment, exclusive of services  
95 provided by an auctioneer, (T) locksmith services, (U) advertising or  
96 public relations services, including layout, art direction, graphic  
97 design, mechanical preparation or production supervision, not related  
98 to the development of media advertising or cooperative direct mail  
99 advertising, (V) landscaping and horticulture services, (W) window  
100 cleaning services, (X) maintenance services, (Y) janitorial services, (Z)  
101 exterminating services, (AA) swimming pool cleaning and  
102 maintenance services, (BB) renovation and repair services as set forth  
103 in this subparagraph, to other than industrial, commercial or  
104 income-producing real property: Paving of any sort, painting or  
105 staining, wallpapering, roofing, siding and exterior sheet metal work,  
106 (CC) miscellaneous personal services included in industry group 729  
107 in the Standard Industrial Classification Manual, United States Office  
108 of Management and Budget, 1987 edition, exclusive of (i) services  
109 rendered by massage therapists licensed pursuant to chapter 384a, and  
110 (ii) services rendered by a hypertrichologist licensed pursuant to  
111 chapter 388, (DD) any repair or maintenance service to any item of  
112 tangible personal property including any contract of warranty or  
113 service related to any such item, (EE) business analysis, management  
114 or managing consulting services rendered by a general partner, or an  
115 affiliate thereof, to a limited partnership, provided (i) that the general  
116 partner, or an affiliate thereof, is compensated for the rendition of such  
117 services other than through a distributive share of partnership profits  
118 or an annual percentage of partnership capital or assets established in  
119 the limited partnership's offering statement, and (ii) the general

120 partner, or an affiliate thereof, offers such services to others, including  
121 any other partnership. As used in subparagraph (EE)(i) "an affiliate of  
122 a general partner" means an entity which is directly or indirectly  
123 owned fifty per cent or more in common with a general partner; and  
124 (FF) notwithstanding the provisions of section 12-412, except  
125 subsection (87) thereof, patient care services, as defined in subsection  
126 (30) of this section by a hospital; (j) the leasing or rental of tangible  
127 personal property of any kind whatsoever, including but not limited  
128 to, motor vehicles, linen or towels, machinery or apparatus, office  
129 equipment and data processing equipment, provided for purposes of  
130 this subdivision and the application of sales and use tax to contracts of  
131 lease or rental of tangible personal property, the leasing or rental of  
132 any motion picture film by the owner or operator of a motion picture  
133 theater for purposes of display at such theater shall not constitute a  
134 sale within the meaning of this subsection; (k) the rendering of  
135 telecommunications service, as defined in subsection (26) of this  
136 section, for a consideration on or after January 1, 1990, exclusive of any  
137 such service rendered by an employee for his employer, subject to the  
138 provisions related to telecommunications service in accordance with  
139 section 12-407a; (l) the rendering of community antenna television  
140 service, as defined in subsection (27) of this section, for a consideration  
141 on or after January 1, 1990, exclusive of any such service rendered by  
142 an employee for his employer and exclusive of that portion of a  
143 consumer's bill attributable to the gross earnings tax levied pursuant to  
144 chapter 211; (m) the transfer for consideration of space or the right to  
145 use any space for the purpose of storage or mooring of any  
146 noncommercial vessel, exclusive of dry or wet storage or mooring of  
147 such vessel during the period commencing on the first day of  
148 November in any year to and including the thirtieth day of April of the  
149 next succeeding year; (n) the sale for consideration of naming rights to  
150 any place of amusement, entertainment or recreation within the  
151 meaning of subdivision (3) of section 12-540. Wherever in this chapter  
152 reference is made to the sale of tangible personal property or services,  
153 it shall be construed to include sales described in this subsection,

154 except as may be specifically provided to the contrary.

155 Sec. 2. This act shall take effect July 1, 2000, and shall be applicable  
156 to sales occurring on or after said date.

**Statement of Purpose:**

To eliminate double taxation of cable subscribers by excluding from the sales and use tax that portion of a consumer's cable bill attributable to the gross earnings tax.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: SEN. PETERS, 20th Dist.  
REP. GIANNAROS, 21st Dist.  
SEN. HERLIHY, 8th Dist.  
REP. DELGOBBO, 70th Dist.

S.B. 21