



General Assembly

Amendment

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LCO No. 8675

Offered by:

SEN. LOONEY, 11th Dist.

REP. MCDONALD, 148th Dist.

To: Subst. Senate Bill No. 1182

File No. 584

Cal. No. 386

**"AN ACT CONCERNING VARIOUS TAX LAWS ADMINISTERED
BY THE DEPARTMENT OF REVENUE SERVICES."**

1 After line 1011, insert the following and renumber the remaining
2 section accordingly:

3 "Sec. 28. Section 12-407c of the general statutes is repealed and the
4 following is substituted in lieu thereof:

5 If any person described in [subdivision (e)] subparagraph (E) of
6 subsection (12) of section 12-407 is acting in concert with any person
7 described in [subdivision (f)] subparagraph (F) of said subsection, the
8 Commissioner of Revenue Services, in the commissioner's discretion,
9 may deem and treat such persons as principal and agent, respectively,
10 when the commissioner deems it necessary for the efficient
11 administration of this chapter and may hold such persons jointly and
12 severally liable for the collection and payment of the taxes imposed by
13 this chapter. An unaffiliated person providing fulfillment services, as
14 defined in subparagraph (C) of subsection (15) of section 12-407, to a

15 purchaser of such services shall not be treated as a retailer by the
16 commissioner under this section with respect to such activity.

17 Sec. 29. Subsection (1) of section 12-411 of the general statutes is
18 repealed and the following is substituted in lieu thereof:

19 (1) An excise tax is hereby imposed on the storage, acceptance,
20 consumption or any other use in this state of tangible personal
21 property purchased from any retailer for storage, acceptance,
22 consumption or any other use in this state, the acceptance or receipt of
23 any services constituting a sale in accordance with subdivision (2) of
24 section 12-407, purchased from any retailer for consumption or use in
25 this state, or the storage, acceptance, consumption or any other use in
26 this state of tangible personal property which has been manufactured,
27 fabricated, assembled or processed from materials by a person, either
28 within or without this state, for storage, acceptance, consumption or
29 any other use by such person in this state, to be measured by the sales
30 price of materials, at the rate of six per cent of the sales price of such
31 property or services, except, in lieu of said rate of six per cent, (A) at a
32 rate of twelve per cent of the rent paid for occupancy of any room or
33 rooms in a hotel or lodging house for the first period of not exceeding
34 thirty consecutive calendar days, (B) with respect to the storage,
35 acceptance, consumption or use in this state of a motor vehicle
36 purchased from any retailer for storage, acceptance, consumption or
37 use in this state by any individual who is a member of the armed
38 forces of the United States and is on full-time active duty in
39 Connecticut and who is considered, under 50 App USC 574, a resident
40 of another state, or to any such individual and the spouse of such
41 individual at a rate of four and one-half per cent of the sales price of
42 such vehicle, provided such retailer requires and maintains a
43 declaration by such individual, prescribed as to form by the
44 commissioner and bearing notice to the effect that false statements
45 made in such declaration are punishable, or other evidence,
46 satisfactory to the commissioner, concerning the purchaser's state of
47 residence under 50 App USC 574, (C) with respect to the acceptance or
48 receipt in this state of labor that is otherwise taxable under subdivision

49 (c) or (g) of subsection (2) of section 12-407 on existing vessels and
50 repair or maintenance services on vessels occurring on and after July 1,
51 1999, such services shall be exempt from such tax, (D) (i) with respect
52 to the acceptance or receipt in this state of computer and data
53 processing services purchased from any retailer for consumption or
54 use in this state occurring on or after July 1, 1997, and prior to July 1,
55 1998, at the rate of five per cent of such services, on or after July 1,
56 1998, and prior to July 1, 1999, at the rate of four per cent of such
57 services, on or after July 1, 1999, and prior to July 1, 2000, at the rate of
58 three per cent of such services, on or after July 1, 2000, and prior to July
59 1, 2001, at the rate of two per cent of such services, on and after July 1,
60 2001, and prior to July 1, 2002, at the rate of one per cent of such
61 services and on and after July 1, 2002, such services shall be exempt
62 from such tax, and (ii) with respect to the acceptance or receipt in this
63 state of Internet access services, on or after July 1, 2001, such services
64 shall be exempt from tax, (E) with respect to the acceptance or receipt
65 in this state of patient care services purchased from any retailer for
66 consumption or use in this state occurring on or after July 1, 1999, at
67 the rate of five and three-fourths per cent, and (F) with respect to
68 acceptance of the renovation and repair services of paving of any sort,
69 painting or staining, wallpapering, roofing, siding and exterior sheet
70 metal work, to other than industrial, commercial or income-producing
71 real property, occurring on or after July 1, 1999, and prior to July 1,
72 2000, at the rate of four per cent, with respect to such sales occurring
73 on or after July 1, 2000, and prior to July 1, 2001, at the rate of two per
74 cent, and on and after July 1, 2001, sales of such renovation and repair
75 services shall be exempt from such tax.

76 Sec. 30. Subsection (27) of section 12-412 of the general statutes, as
77 amended by section 2 of public act 00-170, is repealed and the
78 following is substituted in lieu thereof:

79 (27) (A) Sales of any items for fifty cents or less from vending
80 machines; or (B) sales of food products, as defined in subsection [(23)]
81 (13) of this section, sold through coin-operated vending machines.

82 Sec. 31. Subsections (a) and (b) of section 12-587 of the general
83 statutes are repealed and the following is substituted in lieu thereof:

84 (a) As used in this chapter: (1) "Company" includes a corporation,
85 partnership, limited partnership, limited liability company, limited
86 liability partnership, association, individual or any fiduciary thereof;
87 (2) "quarterly period" means a period of three calendar months
88 commencing on the first day of January, April, July or October and
89 ending on the last day of March, June, September or December,
90 respectively; (3) "gross earnings" means all consideration received
91 from the first sale within this state of a petroleum product; (4)
92 "petroleum products" means those products which contain or are
93 made from petroleum or a petroleum derivative; [, except paraffin or
94 microcrystalline waxes;] (5) "first sale of petroleum products within
95 this state" means the initial sale of a petroleum product delivered to a
96 location in this state; (6) "export" or "exportation" means the
97 conveyance of petroleum products from within this state to a location
98 outside this state for the purpose of sale or use outside this state; and
99 (7) "sale for exportation" means a sale of petroleum products to a
100 purchaser which itself exports such products.

101 (b) (1) Except as otherwise provided in subdivision (2) of this
102 subsection, any company which is engaged in the refining or
103 distribution, or both, of petroleum products and which distributes
104 such products in this state shall pay a quarterly tax on its gross
105 earnings derived from the first sale of petroleum products within this
106 state. Each company shall on or before the last day of the month next
107 succeeding each quarterly period render to the commissioner a return
108 on forms prescribed or furnished by the commissioner and signed by
109 the person performing the duties of treasurer or an authorized agent or
110 officer, including the amount of gross earnings derived from the first
111 sale of petroleum products within this state for the quarterly period
112 and such other facts as the commissioner may require for the purpose
113 of making any computation required by this chapter. Except as
114 otherwise provided in subdivision (3) of this subsection, the rate of tax
115 shall be five per cent.

116 (2) Gross earnings derived from the first sale of the following
117 petroleum products within this state shall be exempt from tax: (A) Any
118 petroleum products sold for exportation from this state for sale or use
119 outside this state; (B) the product designated by the American Society
120 for Testing and Materials as "Specification for Heating Oil D396-69",
121 commonly known as number 2 heating oil, to be used exclusively for
122 heating purposes or to be used in a commercial fishing vessel, which
123 vessel qualifies for an exemption pursuant to section 12-412; (C)
124 kerosene, commonly known as number 1 oil, to be used exclusively for
125 heating purposes, provided delivery is of both number 1 and number 2
126 oil, and via a truck with a metered delivery ticket to a residential
127 dwelling or to a centrally metered system serving a group of
128 residential dwellings; (D) the product identified as propane gas, to be
129 used exclusively for heating purposes; (E) bunker fuel oil, intermediate
130 fuel, marine diesel oil and marine gas oil to be used in any vessel
131 having a displacement exceeding four thousand dead weight tons; (F)
132 for any first sale occurring prior to January 1, 2000, propane gas to be
133 used as a fuel for a motor vehicle; (G) for any first sale occurring on or
134 after July 1, 2002, grade number 6 fuel oil, as defined in regulations
135 adopted pursuant to section 16a-22c, to be used exclusively by a
136 company which, in accordance with census data contained in the
137 Standard Industrial Classification Manual, United States Office of
138 Management and Budget, 1987 edition, is included in code
139 classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the
140 North American Industrial Classification System United States
141 Manual, United States Office of Management and Budget, 1997 edition;
142 [or] (H) for any first sale occurring on or after July 1, 2002, number 2
143 heating oil to be used exclusively in a vessel primarily engaged in
144 interstate commerce, which vessel qualifies for an exemption under
145 section 12-412; or (I) for any first sale occurring on or after July 1, 2000,
146 paraffin or microcrystalline waxes.

147 (3) The rate of tax on gross earnings derived from the first sale of
148 grade number 6 fuel oil, as defined in regulations adopted pursuant to
149 section 16a-22c, to be used exclusively by a company which, in

150 accordance with census data contained in the Standard Industrial
151 Classification Manual, United States Office of Management and
152 Budget, 1987 edition, is included in code classifications 2000 to 3999,
153 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
154 Classification System United States Manual, United States Office of
155 Management and Budget, 1997 edition, or number 2 heating oil used
156 exclusively in a vessel primarily engaged in interstate commerce,
157 which vessel qualifies for an exemption under section 12-412 shall be:
158 (A) Four per cent with respect to calendar quarters commencing on or
159 after July 1, 1998, and prior to July 1, 1999; (B) three per cent with
160 respect to calendar quarters commencing on or after July 1, 1999, and
161 prior to July 1, 2000; (C) two per cent with respect to calendar quarters
162 commencing on or after July 1, 2000, and prior to July 1, 2001; and (D)
163 one per cent with respect to calendar quarters commencing on or after
164 July 1, 2001, and prior to July 1, 2002.

165 Sec. 32. Subsection (a) of section 12-704 of the general statutes is
166 repealed and the following is substituted in lieu thereof:

167 (a) (1) Any resident or part-year resident of this state shall be
168 allowed a credit against the tax otherwise due under this chapter in the
169 amount of any income tax imposed on such resident or part-year
170 resident for the taxable year by another state of the United States or a
171 political subdivision thereof or the District of Columbia on income
172 derived from sources therein and which is also subject to tax under
173 this chapter.

174 (2) In the case of a resident, the credit provided under this section
175 shall not exceed the proportion of the tax otherwise due under this
176 chapter that the amount of the taxpayer's Connecticut adjusted gross
177 income derived from or connected with sources in the other taxing
178 jurisdiction bears to such taxpayer's Connecticut adjusted gross
179 income under this chapter. The provisions of this section shall also
180 apply to resident trusts and estates and, wherever reference is made in
181 this section to residents of this state, such reference shall be construed
182 to include resident trusts and estates.

183 (3) In the case of a part-year resident, the credit provided under this
184 section shall not exceed the proportion of the tax otherwise due during
185 the period of residency under this chapter that the amount of the
186 taxpayer's Connecticut adjusted gross income derived from or
187 connected with sources in the other jurisdiction during the period of
188 residency bears to such taxpayer's Connecticut adjusted gross income
189 during the period of residency under this chapter. [, nor shall the] The
190 provisions of this section shall also apply to part-year resident trusts
191 and, wherever reference is made in this section to part-year residents
192 of this state, such reference shall be construed to include part-year
193 resident trusts.

194 (4) The allowance of the credit provided under this section shall not
195 reduce the tax otherwise due under this chapter to an amount less than
196 what would have been due if the income subject to taxation by such
197 other jurisdiction were excluded from Connecticut adjusted gross
198 income.

199 Sec. 33. Subsection (d) of section 22a-132 of the general statutes is
200 repealed and the following is substituted in lieu thereof:

201 (d) The revenue collected in accordance with this section shall be
202 deposited in the General Fund. The assessment imposed by this section
203 shall not apply to any Connecticut state agency or any Connecticut
204 political subdivision or agency thereof.

205 Sec. 34. Section 12-413b of the general statutes is repealed and the
206 following is substituted in lieu thereof:

207 (a) The Commissioner of Higher Education may select a direct [pay]
208 payment permit holder, as described in section 12-409a, for a pilot
209 program in accordance with the provisions of this section.

210 (b) There shall be allowed a credit to such direct [pay] payment
211 permit holder in an amount equal to the amount of a qualified
212 investment, as defined in subsection (c) of this section, that is made on
213 or after July 1, 2000, against the use tax liability that is incurred under

214 this chapter by such holder in making purchases on or after July 1,
215 2000, of computer equipment to be used in this state in electronic
216 commerce. The total amount of such credits allowed under this section
217 shall not exceed two million dollars in the aggregate. No credit shall be
218 allowed under this section unless the Commissioner of Higher
219 Education certifies, in a manner satisfactory to the Commissioner of
220 Revenue Services, that a qualified investment has been made by the
221 direct [pay] payment permit holder and that projects related to such
222 investment have been completed. The Commissioner of Revenue
223 Services may adopt regulations, in accordance with the provisions of
224 chapter 54, which prescribe the procedures for the direct [pay]
225 payment permit holder to claim the credit allowed under this section.

226 (c) For purposes of this section, "qualified investment" means
227 resources, including, but not limited to, cash, property or services
228 provided by a direct [pay] payment permit holder to a public or
229 private college or university in this state, for the design, planning,
230 construction or renovation of buildings or classrooms, the acquisition
231 of computer equipment or the acquisition of other property or licenses
232 necessary for operation of computer programs which will be used in
233 the instruction of students in business studies related to electronic
234 commerce or in work force development programs.

235 Sec. 35. (a) Section 12-382 of the general statutes is repealed.

236 (b) In codifying the provisions of this act, the Legislative
237 Commissioners shall delete the reference to section 12-382 that appears
238 in the following section of the general statutes: 36a-44."