



House of Representatives

General Assembly

File No. 451

February Session, 2002

Substitute House Bill No. 5735

House of Representatives, April 11, 2002

The Committee on Finance, Revenue and Bonding reported through REP. MCDONALD of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

**AN ACT IMPLEMENTING RECOMMENDATIONS OF THE
LEGISLATIVE COMMISSIONERS FOR TECHNICAL REVISIONS TO
VARIOUS TAX STATUTES.**

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

1 Section 1. Section 12-407 of the general statutes, as amended by
2 section 2 of public act 01-109 and section 1 of public act 01-6 of the June
3 special session, is repealed and the following is substituted in lieu
4 thereof (*Effective January 1, 2003*):

5 (a) Whenever used in this chapter:

6 (1) "Person" means and includes any individual, firm,
7 copartnership, joint venture, association, association of persons
8 however formed, social club, fraternal organization, corporation,
9 limited liability company, foreign municipal electric utility as defined
10 in section 12-59, estate, trust, fiduciary, receiver, trustee, syndicate, the
11 United States, this state or any political subdivision thereof or any

12 group or combination acting as a unit, and any other individual or
13 officer acting under the authority of any court in this state.

14 (2) "Sale" and "selling" mean and include:

15 [(a)] (A) Any transfer of title, exchange or barter, conditional or
16 otherwise, in any manner or by any means whatsoever, of tangible
17 personal property for a consideration;

18 [(b) any] (B) Any withdrawal, except a withdrawal pursuant to a
19 transaction in foreign or interstate commerce, of tangible personal
20 property from the place where it is located for delivery to a point in
21 this state for the purpose of the transfer of title, exchange or barter,
22 conditional or otherwise, in any manner or by any means whatsoever,
23 of the property for a consideration;

24 [(c) the] (C) The producing, fabricating, processing, printing or
25 imprinting of tangible personal property for a consideration for
26 consumers who furnish either directly or indirectly the materials used
27 in the producing, fabricating, processing, printing or imprinting,
28 including, but not limited to, sign construction, photofinishing,
29 duplicating and photocopying;

30 [(d) the] (D) The furnishing and distributing of tangible personal
31 property for a consideration by social clubs and fraternal organizations
32 to their members or others;

33 [(e) the] (E) The furnishing, preparing, or serving for a consideration
34 of food, meals or drinks;

35 [(f) a] (F) A transaction whereby the possession of property is
36 transferred but the seller retains the title as security for the payment of
37 the price;

38 [(g) a] (G) A transfer for a consideration of the title of tangible
39 personal property which has been produced, fabricated or printed to
40 the special order of the customer, or of any publication, including, but
41 not limited to, sign construction, photofinishing, duplicating and

42 photocopying;

43 [(h) a] (H) A transfer for a consideration of the occupancy of any
44 room or rooms in a hotel or lodging house for a period of thirty
45 consecutive calendar days or less;

46 [(i) the] (I) The rendering of certain services, as defined in
47 subdivision (37) of this subsection, for a consideration, exclusive of
48 such services rendered by an employee for the employer; [, as follows:
49 (A) Computer and data processing services, including, but not limited
50 to, time, programming, code writing, modification of existing
51 programs, feasibility studies and installation and implementation of
52 software programs and systems even where such services are rendered
53 in connection with the development, creation or production of canned
54 or custom software or the license of custom software, and exclusive of
55 services rendered in connection with the creation, development
56 hosting or maintenance of all or part of a web site which is part of the
57 graphical, hypertext portion of the Internet, commonly referred to as
58 the World-Wide Web, (B) credit information and reporting services,
59 (C) services by employment agencies and agencies providing
60 personnel services, (D) private investigation, protection, patrol work,
61 watchman and armored car services, exclusive of services of off-duty
62 police officers and off-duty firefighters, (E) painting and lettering
63 services, (F) photographic studio services, (G) telephone answering
64 services, (H) stenographic services, (I) services to industrial,
65 commercial or income-producing real property, including, but not
66 limited to, such services as management, electrical, plumbing, painting
67 and carpentry and excluding any such services rendered in the
68 voluntary evaluation, prevention, treatment, containment or removal
69 of hazardous waste, as defined in section 22a-115, or other
70 contaminants of air, water or soil, provided income-producing
71 property shall not include property used exclusively for residential
72 purposes in which the owner resides and which contains no more than
73 three dwelling units, or a housing facility for low and moderate
74 income families and persons owned or operated by a nonprofit
75 housing organization, as defined in subsection (29) of section 12-412,

76 (J) business analysis, management, management consulting and public
77 relations services, excluding (i) any environmental consulting services,
78 and (ii) any training services provided by an institution of higher
79 education licensed or accredited by the Board of Governors of Higher
80 Education pursuant to section 10a-34, (K) services providing "piped-in"
81 music to business or professional establishments, (L) flight instruction
82 and chartering services by a certificated air carrier on an aircraft, the
83 use of which for such purposes, but for the provisions of subsection (4)
84 of section 12-410 and subsection (12) of section 12-411, would be
85 deemed a retail sale and a taxable storage or use, respectively, of such
86 aircraft by such carrier, (M) motor vehicle repair services, including
87 any type of repair, painting or replacement related to the body or any
88 of the operating parts of a motor vehicle, (N) motor vehicle parking,
89 including the provision of space, other than metered space, in a lot
90 having thirty or more spaces, excluding (i) space in a seasonal parking
91 lot provided by a person who is exempt from taxation under this
92 chapter pursuant to subsection (1), (5) or (8) of section 12-412, (ii) space
93 in a parking lot owned or leased under the terms of a lease of not less
94 than ten years' duration and operated by an employer for the exclusive
95 use of its employees, (iii) valet parking provided at any airport, and
96 (iv) space in municipally-operated railroad parking facilities in
97 municipalities located within an area of the state designated as a
98 severe nonattainment area for ozone under the federal Clean Air Act,
99 (O) radio or television repair services, (P) furniture reupholstering and
100 repair services, (Q) repair services to any electrical or electronic device,
101 including, but not limited to, equipment used for purposes of
102 refrigeration or air-conditioning, (R) lobbying or consulting services
103 for purposes of representing the interests of a client in relation to the
104 functions of any governmental entity or instrumentality, (S) services of
105 the agent of any person in relation to the sale of any item of tangible
106 personal property for such person, exclusive of the services of a
107 consignee selling works of art, as defined in subsection (b) of section
108 12-376c, or articles of clothing or footwear intended to be worn on or
109 about the human body other than (i) any special clothing or footwear
110 primarily designed for athletic activity or protective use and which is

111 not normally worn except when used for the athletic activity or
112 protective use for which it was designed, and (ii) jewelry, handbags,
113 luggage, umbrellas, wallets, watches and similar items carried on or
114 about the human body but not worn on the body in the manner
115 characteristic of clothing intended for exemption under subdivision
116 (47) of section 12-412, under consignment, exclusive of services
117 provided by an auctioneer, (T) locksmith services, (U) advertising or
118 public relations services, including layout, art direction, graphic
119 design, mechanical preparation or production supervision, not related
120 to the development of media advertising or cooperative direct mail
121 advertising, (V) landscaping and horticulture services, (W) window
122 cleaning services, (X) maintenance services, (Y) janitorial services, (Z)
123 exterminating services, (AA) swimming pool cleaning and
124 maintenance services, (BB) renovation and repair services as set forth
125 in this subparagraph, to other than industrial, commercial or
126 income-producing real property: Paving of any sort, painting or
127 staining, wallpapering, roofing, siding and exterior sheet metal work,
128 (CC) miscellaneous personal services included in industry group 729
129 in the Standard Industrial Classification Manual, United States Office
130 of Management and Budget, 1987 edition, or U.S. industry 532220,
131 812191, 812199 or 812990 in the North American Industrial
132 Classification System United States Manual, United States Office of
133 Management and Budget, 1997 edition, exclusive of (i) services
134 rendered by massage therapists licensed pursuant to chapter 384a, and
135 (ii) services rendered by a hypertrichologist licensed pursuant to
136 chapter 388, (DD) any repair or maintenance service to any item of
137 tangible personal property including any contract of warranty or
138 service related to any such item, (EE) business analysis, management
139 or managing consulting services rendered by a general partner, or an
140 affiliate thereof, to a limited partnership, provided (i) that the general
141 partner, or an affiliate thereof, is compensated for the rendition of such
142 services other than through a distributive share of partnership profits
143 or an annual percentage of partnership capital or assets established in
144 the limited partnership's offering statement, and (ii) the general
145 partner, or an affiliate thereof, offers such services to others, including

146 any other partnership. As used in subparagraph (EE)(i) "an affiliate of
147 a general partner" means an entity which is directly or indirectly
148 owned fifty per cent or more in common with a general partner; and
149 (FF) notwithstanding the provisions of section 12-412, except
150 subsection (87) thereof, patient care services, as defined in subsection
151 (29) of this section by a hospital;]

152 [(j) the] (J) The leasing or rental of tangible personal property of any
153 kind whatsoever, including, but not limited to, motor vehicles, linen or
154 towels, machinery or apparatus, office equipment and data processing
155 equipment, provided for purposes of this subdivision and the
156 application of sales and use tax to contracts of lease or rental of
157 tangible personal property, the leasing or rental of any motion picture
158 film by the owner or operator of a motion picture theater for purposes
159 of display at such theater shall not constitute a sale within the meaning
160 of this subsection;

161 [(k) the] (K) The rendering of telecommunications service, as
162 defined in [subsection] subdivision (26) of this [section] subsection, for
163 a consideration on or after January 1, 1990, exclusive of any such
164 service rendered by an employee for the employer of such employee,
165 subject to the provisions related to telecommunications service in
166 accordance with section 12-407a, as amended by this act;

167 [(l) the] (L) The rendering of community antenna television service,
168 as defined in [subsection] subdivision (27) of this [section] subsection,
169 for a consideration on or after January 1, 1990, exclusive of any such
170 service rendered by an employee for the employer of such employee;

171 [(m) the] (M) The transfer for consideration of space or the right to
172 use any space for the purpose of storage or mooring of any
173 noncommercial vessel, exclusive of dry or wet storage or mooring of
174 such vessel during the period commencing on the first day of
175 November in any year to and including the thirtieth day of April of the
176 next succeeding year;

177 [(n) the] (N) The sale for consideration of naming rights to any place

178 of amusement, entertainment or recreation within the meaning of
179 subdivision (3) of section 12-540; and

180 [(o) the] (O) The transfer for consideration of a prepaid telephone
181 calling service, as defined in [subsection] subdivision (34) of this
182 [section] subsection, and the recharge of a prepaid telephone calling
183 service, provided, if the sale or recharge of a prepaid telephone calling
184 service does not take place at the retailer's place of business and an
185 item is shipped by the retailer to the customer, the sale or recharge
186 shall be deemed to take place at the customer's shipping address, but,
187 if such sale or recharge does not take place at the retailer's place of
188 business and no item is shipped by the retailer to the customer, the sale
189 or recharge shall be deemed to take place at the customer's billing
190 address or the location associated with the customer's mobile
191 telephone number. [Wherever in this chapter reference is made to the
192 sale of tangible personal property or services, it shall be construed to
193 include sales described in this subsection, except as may be specifically
194 provided to the contrary.]

195 (3) (A) "Retail sale" or "sale at retail" means and includes a sale for
196 any purpose other than resale in the regular course of business of
197 tangible personal property or a transfer for a consideration of the
198 occupancy of any room or rooms in a hotel or lodging house for a
199 period of thirty consecutive calendar days or less, or the rendering of
200 any service described in subdivision (2) of this [section] subsection.
201 The delivery in this state of tangible personal property by an owner or
202 former owner thereof or by a factor, if the delivery is to a consumer
203 pursuant to a retail sale made by a retailer not engaged in business in
204 this state, is a retail sale in this state by the person making the delivery.
205 Such person shall include the retail selling price of the property in such
206 person's gross receipts.

207 (B) "Retail sale" or "sale at retail" does not include any sale of any
208 tangible personal property, where, no later than one hundred twenty
209 days after the original sale, the original purchaser sells or becomes
210 contractually obligated to sell such property to a retailer who is

211 contractually obligated to lease such property back to such original
212 purchaser in a lease that is taxable under this chapter or the sale of
213 such property by the original purchaser to the retailer who is
214 contractually obligated to lease such property back to such original
215 purchaser in a lease that is taxable under this chapter. If the original
216 purchaser has paid sales or use tax on the original sale of such
217 property to the original purchaser, such original purchaser may (i)
218 claim a refund of such tax under the provisions of section 12-425, upon
219 presentation of proof satisfactory to the commissioner that the mutual
220 contractual obligations described in this subparagraph were
221 undertaken no later than one hundred twenty days after the original
222 sale and that such tax was paid to the original retailer on the original
223 sale and was remitted to the commissioner by such original retailer or
224 by such original purchaser, or (ii) issue at the time of such original sale
225 or no later than one hundred twenty days thereafter a certificate, in the
226 form prescribed by the commissioner, to the original retailer certifying
227 that the mutual contractual obligations described in this subparagraph
228 have been undertaken. If such certificate is issued to the original
229 retailer at the time of the original sale, no tax on the original sale shall
230 be collected by the original retailer from the original purchaser. If the
231 certificate is issued after the time of the original sale but no later than
232 one hundred twenty days thereafter, the original retailer shall refund
233 to the original purchaser the tax collected on the original sale and, if
234 the original retailer has previously remitted the tax to the
235 commissioner, the original retailer may either treat the amount so
236 refunded as a credit against the tax due on the return next filed under
237 this chapter, or claim a refund under section 12-425. If such certificate
238 is issued no later than one hundred twenty days after the time of the
239 original sale but the tangible personal property originally purchased is
240 not, in fact, subsequently leased by the original purchaser, such
241 original purchaser shall be liable for and be required to pay the tax due
242 on the original sale.

243 (4) "Storage" includes any keeping or retention in this state for any
244 purpose except sale in the regular course of business or subsequent use
245 solely outside this state of tangible personal property purchased from

246 a retailer.

247 (5) "Use" includes the exercise of any right or power over tangible
248 personal property incident to the ownership of that property, except
249 that it does not include the sale of that property in the regular course
250 of business.

251 (6) "Storage" and "use" do not include (A) keeping, retaining or
252 exercising any right or power over tangible personal property shipped
253 or brought into this state for the purpose of subsequently transporting
254 it outside the state for use thereafter solely outside the state, or for the
255 purpose of being processed, fabricated or manufactured into, attached
256 to or incorporated into, other tangible personal property to be
257 transported outside the state and thereafter used solely outside the
258 state, or (B) keeping, retaining or exercising any right or power over
259 tangible personal property acquired by the customer of a commercial
260 printer while such property is located at the premises of the
261 commercial printer in this state pursuant to a contract with such
262 printer for printing and distribution of printed material if the
263 commercial printer could have acquired such property without
264 application of tax under this chapter.

265 (7) "Purchase" and "purchasing" means and includes: [(a)] (A) Any
266 transfer, exchange or barter, conditional or otherwise, in any manner
267 or by any means whatsoever, of tangible personal property or of the
268 occupancy of any room or rooms in a hotel or lodging house for a
269 period of thirty consecutive calendar days or less for a consideration;
270 [(b)] (B) a transaction whereby the possession of property is transferred
271 but the seller retains the title as security for the payment of the price;
272 [(c)] (C) a transfer for a consideration of tangible personal property
273 which has been produced, fabricated or printed to the special order of
274 the customer, or of any publication; [(d)] (D) when performed outside
275 this state or when the customer gives a resale certificate pursuant to
276 section 12-410, the producing, fabricating, processing, printing or
277 imprinting of tangible personal property for a consideration for
278 consumers who furnish either directly or indirectly the materials used

279 in the producing, fabricating, processing, printing or imprinting; [(e)]
280 (E) the acceptance or receipt of any service described in any of the
281 [subdivisions of subsection] subparagraphs of subdivision (2) of this
282 [section; (f)] subsection; (F) any leasing or rental of tangible personal
283 property. Wherever in this chapter reference is made to the purchase
284 or purchasing of tangible personal property, it shall be construed to
285 include purchases as described in this subsection.

286 (8) (A) "Sales price" means the total amount for which tangible
287 personal property is sold by a retailer, the total amount of rent for
288 which occupancy of a room is transferred by an operator, the total
289 amount for which any service described in [subsection] subdivision (2)
290 of this [section] subsection is rendered by a retailer or the total amount
291 of payment or periodic payments for which tangible personal property
292 is leased by a retailer, valued in money, whether paid in money or
293 otherwise, which amount is due and owing to the retailer or operator
294 and, subject to the provisions of [subsection] subdivision (1) of section
295 12-408, as amended by this act, whether or not actually received by the
296 retailer or operator, without any deduction on account of any of the
297 following: (i) The cost of the property sold; (ii) the cost of materials
298 used, labor or service cost, interest charged, losses or any other
299 expenses; (iii) for any sale occurring on or after July 1, 1993, any
300 charges by the retailer to the purchaser for shipping or delivery,
301 notwithstanding whether such charges are separately stated in a
302 written contract, or on a bill or invoice rendered to such purchaser or
303 whether such shipping or delivery is provided by the retailer or a third
304 party. The provisions of subparagraph (A) (iii) of this subdivision shall
305 not apply to any item exempt from taxation pursuant to section 12-412,
306 as amended by this act. Such total amount includes any services that
307 are a part of the sale; except as otherwise provided in subparagraph
308 (B)(v) or (B)(vi) of this [subsection] subdivision, any amount for which
309 credit is given to the purchaser by the retailer, and all compensation
310 and all employment-related expenses, whether or not separately
311 stated, paid to or on behalf of employees of a retailer of any service
312 described in [subsection] subdivision (2) of this [section] subsection.
313 (B) "Sales price" does not include any of the following: (i) Cash

314 discounts allowed and taken on sales; (ii) any portion of the amount
315 charged for property returned by purchasers, which upon rescission of
316 the contract of sale is refunded either in cash or credit, provided the
317 property is returned within ninety days from the date of purchase; (iii)
318 the amount of any tax, not including any manufacturers' or importers'
319 excise tax, imposed by the United States upon or with respect to retail
320 sales whether imposed upon the retailer or the purchaser; (iv) the
321 amount charged for labor rendered in installing or applying the
322 property sold, provided such charge is separately stated and exclusive
323 of such charge for any service rendered within the purview of
324 subparagraph (I) of [subdivision (i) of subsection (2)] subdivision (37)
325 of this [section] subsection; (v) unless the provisions of [subsection]
326 subdivision (4) of section 12-430 or of section 12-430a are applicable,
327 any amount for which credit is given to the purchaser by the retailer,
328 provided such credit is given solely for property of the same kind
329 accepted in part payment by the retailer and intended by the retailer to
330 be resold; (vi) the full face value of any coupon used by a purchaser to
331 reduce the price paid to a retailer for an item of tangible personal
332 property, whether or not the retailer will be reimbursed for such
333 coupon, in whole or in part, by the manufacturer of the item of
334 tangible personal property or by a third party; (vii) the amount
335 charged for separately stated compensation, fringe benefits, workers'
336 compensation and payroll taxes or assessments paid to or on behalf of
337 employees of a retailer who has contracted to manage a service
338 recipient's property or business premises and renders management
339 services described in [subdivision (i) of subsection (2) of this section]
340 subparagraph (I) of subdivision (37) of this subsection, provided, the
341 employees perform such services solely for the service recipient at its
342 property or business premises and "sales price" shall include the
343 separately stated compensation, fringe benefits, workers'
344 compensation and payroll taxes or assessments paid to or on behalf of
345 any employee of the retailer who is an officer, director or owner of
346 more than five per cent of the outstanding capital stock of the retailer.
347 Determination whether an employee performs services solely for a
348 service recipient at its property or business premises for purposes of

349 this subdivision shall be made by reference to such employee's
350 activities during the time period beginning on the later of the
351 commencement of the management contract, the date of the
352 employee's first employment by the retailer or the date which is six
353 months immediately preceding the date of such determination; (viii)
354 the amount charged for separately stated compensation, fringe
355 benefits, workers' compensation and payroll taxes or assessments paid
356 to or on behalf of (I) a leased employee, or (II) a worksite employee by
357 a professional employer organization pursuant to a professional
358 employer agreement. For purposes of this subparagraph, an employee
359 shall be treated as a leased employee if the employee is provided to the
360 client at the commencement of an agreement with an employee leasing
361 organization under which at least seventy-five per cent of the
362 employees provided to the client at the commencement of such initial
363 agreement qualify as leased employees pursuant to Section 414(n) of
364 the Internal Revenue Code of 1986, or any subsequent corresponding
365 internal revenue code of the United States, as from time to time
366 amended, or the employee is added to the client's workforce by the
367 employee leasing organization subsequent to the commencement of
368 such initial agreement and qualifies as a leased employee pursuant to
369 Section 414(n) of said Internal Revenue Code of 1986 without regard to
370 subparagraph (B) of paragraph (2) thereof. A leased employee, or a
371 worksite employee subject to a professional employer agreement, shall
372 not include any employee who is hired by a temporary help service
373 and assigned to support or supplement the workforce of a temporary
374 help service's client; and (ix) any amount received by a retailer from a
375 purchaser as the battery deposit that is required to be paid under
376 subsection (a) of section 22a-245h; the refund value of a beverage
377 container that is required to be paid under subsection (a) of section
378 22a-244; or a deposit that is required by law to be paid by the
379 purchaser to the retailer and that is required by law to be refunded to
380 the purchaser by the retailer when the same or similar tangible
381 personal property is delivered as required by law to the retailer by the
382 purchaser, if such amount is separately stated on the bill or invoice
383 rendered by the retailer to the purchaser.

384 (9) (A) "Gross receipts" means the total amount of the sales price
385 from retail sales of tangible personal property by a retailer, the total
386 amount of the rent from transfers of occupancy of rooms by an
387 operator, the total amount of the sales price from retail sales of any
388 service described in [subsection] subdivision (2) of this [section]
389 subsection by a retailer of services, or the total amount of payment or
390 periodic payments from leases or rentals of tangible personal property
391 by a retailer, valued in money, whether received in money or
392 otherwise, which amount is due and owing to the retailer or operator
393 and, subject to the provisions of [subsection] subdivision (1) of section
394 12-408, as amended by this act, whether or not actually received by the
395 retailer or operator, without any deduction on account of any of the
396 following: (i) The cost of the property sold; however, in accordance
397 with such regulations as the Commissioner of Revenue Services may
398 prescribe, a deduction may be taken if the retailer has purchased
399 property for some other purpose than resale, has reimbursed [his] the
400 retailer's vendor for tax which the vendor is required to pay to the
401 state or has paid the use tax with respect to the property, and has
402 resold the property prior to making any use of the property other than
403 retention, demonstration or display while holding it for sale in the
404 regular course of business. If such a deduction is taken by the retailer,
405 no refund or credit will be allowed to [his] the retailer's vendor with
406 respect to the sale of the property; (ii) the cost of the materials used,
407 labor or service cost, interest paid, losses or any other expense; (iii) for
408 any sale occurring on or after July 1, 1993, except for any item exempt
409 from taxation pursuant to section 12-412, as amended by this act, any
410 charges by the retailer to the purchaser for shipping or delivery,
411 notwithstanding whether such charges are separately stated in the
412 written contract, or on a bill or invoice rendered to such purchaser or
413 whether such shipping or delivery is provided by the retailer or a third
414 party. The total amount of the sales price includes any services that are
415 a part of the sale; all receipts, cash, credits and property of any kind;
416 except as otherwise provided in subparagraph (B)(v) or (B)(vi) of this
417 [subsection] subdivision, any amount for which credit is allowed by
418 the retailer to the purchaser; and all compensation and all

419 employment-related expenses, whether or not separately stated, paid
420 to or on behalf of employees of a retailer of any service described in
421 [subsection] subdivision (2) of this [section] subsection. (B) "Gross
422 receipts" do not include any of the following: (i) Cash discounts
423 allowed and taken on sales; (ii) any portion of the sales price of
424 property returned by purchasers, which upon rescission of the contract
425 of sale is refunded either in cash or credit, provided the property is
426 returned within ninety days from the date of sale; (iii) the amount of
427 any tax, not including any manufacturers' or importers' excise tax,
428 imposed by the United States upon or with respect to retail sales
429 whether imposed upon the retailer or the purchaser; (iv) the amount
430 charged for labor rendered in installing or applying the property sold,
431 provided such charge is separately stated and exclusive of such charge
432 for any service rendered within the purview of subparagraph (I) of
433 [subdivision (i) of subsection (2) of this section] subdivision (37) of this
434 subsection; (v) unless the provisions of [subsection] subdivision (4) of
435 section 12-430 or of section 12-430a are applicable, any amount for
436 which credit is given to the purchaser by the retailer, provided such
437 credit is given solely for property of the same kind accepted in part
438 payment by the retailer and intended by the retailer to be resold; (vi)
439 the full face value of any coupon used by a purchaser to reduce the
440 price paid to the retailer for an item of tangible personal property,
441 whether or not the retailer will be reimbursed for such coupon, in
442 whole or in part, by the manufacturer of the item of tangible personal
443 property or by a third party; (vii) the amount charged for separately
444 stated compensation, fringe benefits, workers' compensation and
445 payroll taxes or assessments paid to or on behalf of employees of a
446 retailer who has contracted to manage a service recipient's property or
447 business premises and renders management services described in
448 [subdivision (i) of subsection (2) of this section] subparagraph (I) of
449 subdivision (37) of this subsection, provided the employees perform
450 such services solely for the service recipient at its property or business
451 premises and "gross receipts" shall include the separately stated
452 compensation, fringe benefits, workers' compensation and payroll
453 taxes or assessments paid to or on behalf of any employee of the

454 retailer who is an officer, director or owner of more than five per cent
455 of the outstanding capital stock of the retailer. Determination whether
456 an employee performs services solely for a service recipient at its
457 property or business premises for purposes of this subdivision shall be
458 made by reference to such employee's activities during the time period
459 beginning on the later of the commencement of the management
460 contract, the date of the employee's first employment by the retailer or
461 the date which is six months immediately preceding the date of such
462 determination; (viii) the amount charged for separately stated
463 compensation, fringe benefits, workers' compensation and payroll
464 taxes or assessments paid to or on behalf of (I) a leased employee, or
465 (II) a worksite employee by a professional employer organization
466 pursuant to a professional employer agreement. For purposes of this
467 subparagraph, an employee shall be treated as a leased employee if the
468 employee is provided to the client at the commencement of an
469 agreement with an employee leasing organization under which at least
470 seventy-five per cent of the employees provided to the client at the
471 commencement of such initial agreement qualify as leased employees
472 pursuant to Section 414(n) of the Internal Revenue Code of 1986, or
473 any subsequent corresponding internal revenue code of the United
474 States, as from time to time amended, or the employee is added to the
475 client's workforce by the employee leasing organization subsequent to
476 the commencement of such initial agreement and qualifies as a leased
477 employee pursuant to Section 414(n) of said Internal Revenue Code of
478 1986 without regard to subparagraph (B) of paragraph (2) thereof. A
479 leased employee, or a worksite employee subject to a professional
480 employer agreement, shall not include any employee who is hired by a
481 temporary help service and assigned to support or supplement the
482 workforce of a temporary help service's client; and (ix) the amount
483 received by a retailer from a purchaser as the battery deposit that is
484 required to be paid under subsection (a) of section 22a-256h; the
485 refund value of a beverage container that is required to be paid under
486 subsection (a) of section 22a-244 or a deposit that is required by law to
487 be paid by the purchaser to the retailer and that is required by law to
488 be refunded to the purchaser by the retailer when the same or similar

489 tangible personal property is delivered as required by law to the
490 retailer by the purchaser, if such amount is separately stated on the bill
491 or invoice rendered by the retailer to the purchaser.

492 (10) "Business" includes any activity engaged in by any person or
493 caused to be engaged in by [him] any person with the object of gain,
494 benefit or advantage, either direct or indirect.

495 (11) "Seller" includes every person engaged in the business of selling
496 tangible personal property or rendering any service described in any of
497 the [subdivisions of subsection] subparagraphs of subdivision (2) of
498 this [section] subsection, the gross receipts from the retail sale of which
499 are required to be included in the measure of the sales tax and every
500 operator as defined in [subsection] subdivision (18) of this [section]
501 subsection.

502 (12) "Retailer" includes: (A) Every person engaged in the business of
503 making sales at retail or in the business of making retail sales at
504 auction of tangible personal property owned by the person or others;
505 (B) every person engaged in the business of making sales for storage,
506 use or other consumption or in the business of making sales at auction
507 of tangible personal property owned by the person or others for
508 storage, use or other consumption; (C) every operator, as defined in
509 [subsection] subdivision (18) of this [section] subsection; (D) every
510 seller rendering any service described in [subsection] subdivision (2) of
511 this [section] subsection; (E) every person under whom any salesman,
512 representative, peddler or canvasser operates in this state, or from
513 whom such salesman, representative, peddler or canvasser obtains the
514 tangible personal property that is sold; (F) every person with whose
515 assistance any seller is enabled to solicit orders within this state; (G)
516 every person making retail sales from outside this state to a destination
517 within this state and not maintaining a place of business in this state
518 who engages in regular or systematic solicitation of sales of tangible
519 personal property in this state (i) by the display of advertisements on
520 billboards or other outdoor advertising in this state, (ii) by the
521 distribution of catalogs, periodicals, advertising flyers or other

522 advertising by means of print, radio or television media, or (iii) by
523 mail, telegraphy, telephone, computer data base, cable, optic,
524 microwave or other communication system, for the purpose of
525 effecting retail sales of tangible personal property, provided such
526 person has made one hundred or more retail sales from outside this
527 state to destinations within this state during the twelve-month period
528 ended on the September thirtieth immediately preceding the monthly
529 or quarterly period with respect to which such person's liability for tax
530 under this chapter is determined; (H) any person owned or controlled,
531 either directly or indirectly, by a retailer engaged in business in this
532 state which is the same as or similar to the line of business in which
533 such person so owned or controlled is engaged; (I) any person owned
534 or controlled, either directly or indirectly, by the same interests that
535 own or control, either directly or indirectly, a retailer engaged in
536 business in this state which is the same as or similar to the line of
537 business in which such person so owned or controlled is engaged; (J)
538 any assignee of a person engaged in the business of leasing tangible
539 personal property to others, where leased property of such person
540 which is subject to taxation under this chapter is situated within this
541 state and such assignee has a security interest, as defined in subsection
542 (37) of section 42a-1-201, as amended, in such property; and (K) every
543 person making retail sales of items of tangible personal property from
544 outside this state to a destination within this state and not maintaining
545 a place of business in this state who repairs or services such items,
546 under a warranty, in this state, either directly or indirectly through an
547 agent, independent contractor or subsidiary.

548 (13) "Tangible personal property" means personal property which
549 may be seen, weighed, measured, felt or touched or which is in any
550 other manner perceptible to the senses including canned or prewritten
551 computer software. Tangible personal property includes the
552 distribution, generation or transmission of electricity.

553 (14) "In this state" or "in the state" means within the exterior limits of
554 the state of Connecticut and includes all territory within these limits
555 owned by or ceded to the United States of America.

556 (15) (A) "Engaged in business in the state" means and includes but
557 shall not be limited to the following acts or methods of transacting
558 business: (i) Selling in this state, or any activity in this state in
559 connection with selling in this state, tangible personal property for use,
560 storage or consumption within the state; (ii) engaging in the transfer
561 for a consideration of the occupancy of any room or rooms in a hotel or
562 lodging house for a period of thirty consecutive calendar days or less;
563 (iii) rendering in this state any service described in any of the
564 [subdivisions of subsection] subparagraphs of subdivision (2) of this
565 [section] subsection; (iv) maintaining, occupying or using,
566 permanently or temporarily, directly or indirectly, through a
567 subsidiary or agent, by whatever name called, [of] any office, place of
568 distribution, sales or sample room or place, warehouse or storage point
569 or other place of business or having any representative, agent,
570 salesman, canvasser or solicitor operating in this state for the purpose
571 of selling, delivering or taking orders; (v) notwithstanding the fact that
572 retail sales are made from outside this state to a destination within this
573 state and that a place of business is not maintained in this state,
574 engaging in regular or systematic solicitation of sales of tangible
575 personal property in this state by the display of advertisements on
576 billboards or other outdoor advertising in this state, by the distribution
577 of catalogs, periodicals, advertising flyers or other advertising by
578 means of print, radio or television media, or by mail, telegraphy,
579 telephone, computer data base, cable, optic, microwave or other
580 communication system, for the purpose of effecting retail sales of
581 tangible personal property, provided one hundred or more retail sales
582 from outside this state to destinations within this state are made
583 during the twelve-month period ended on the September thirtieth
584 immediately preceding the monthly or quarterly period with respect to
585 which liability for tax under this chapter is determined; (vi) being
586 owned or controlled, either directly or indirectly, by a retailer engaged
587 in business in this state which is the same as or similar to the line of
588 business in which the retailer so owned or controlled is engaged; (vii)
589 being owned or controlled, either directly or indirectly, by the same
590 interests that own or control, either directly or indirectly, a retailer

591 engaged in business in this state which is the same as or similar to the
592 line of business in which the retailer so owned or controlled is
593 engaged; (viii) being the assignee of a person engaged in the business
594 of leasing tangible personal property to others, where leased property
595 of such person is situated within this state and such assignee has a
596 security interest, as defined in subsection (37) of section 42a-1-201, as
597 amended, in such property; and (ix) notwithstanding the fact that
598 retail sales of items of tangible personal property are made from
599 outside this state to a destination within this state and that a place of
600 business is not maintained in this state, repairing or servicing such
601 items, under a warranty, in this state, either directly or indirectly
602 through an agent, independent contractor or subsidiary.

603 (B) A retailer who has contracted with a commercial printer for
604 printing and distribution of printed material shall not be deemed to be
605 engaged in business in this state because of the ownership or leasing
606 by the retailer of tangible or intangible personal property located at the
607 premises of the commercial printer in this state, the sale by the retailer
608 of property of any kind produced or processed at and shipped or
609 distributed from the premises of the commercial printer in this state,
610 the activities of the retailer's employees or agents at the premises of the
611 commercial printer in this state, which activities relate to quality
612 control, distribution or printing services performed by the printer, or
613 the activities of any kind performed by the commercial printer in this
614 state for or on behalf of the retailer.

615 (C) A retailer not otherwise a retailer engaged in business in the
616 state who purchases fulfillment services carried on in this state by a
617 person other than an affiliated person, or who owns tangible personal
618 property located on the premises of an unaffiliated person performing
619 fulfillment services for such retailer shall not be deemed to be engaged
620 in business in the state. For purposes of this subparagraph, persons are
621 affiliated persons with respect to each other where one of such persons
622 has an ownership interest of more than five per cent, whether direct or
623 indirect, in the other, or where an ownership interest of more than five
624 per cent, whether direct or indirect, is held in each of such persons by

625 another person or by a group of other persons who are affiliated
626 persons with respect to each other. For purposes of this subparagraph,
627 "fulfillment services" means services that are performed by a person on
628 its premises on behalf of a purchaser of such services and that involve
629 the receipt of orders from the purchaser of such services or an agent
630 thereof, which orders are to be filled by the person from an inventory
631 of products that are offered for sale by the purchaser of such services,
632 and the shipment of such orders to customers of the purchaser of such
633 services.

634 (16) "Hotel" means any building regularly used and kept open as
635 such for the feeding and lodging of guests where any person who
636 conducts himself properly and who is able and ready to pay for such
637 services is received if there are accommodations for [him] such person
638 and which derives the major portion of its operating receipts from the
639 renting of rooms and the sale of food. "Hotel" shall include any
640 apartment hotel wherein apartments are rented for fixed periods of
641 time, furnished or unfurnished, while the keeper of such hotel supplies
642 food to the occupants thereof, if required.

643 (17) "Lodging house" means any building or portion of a building,
644 other than a hotel or apartment hotel, in which persons are lodged for
645 hire with or without meals, including, but not limited to, any motel,
646 motor court, motor inn, tourist court or similar accommodation;
647 provided the terms "hotel", "apartment hotel" and "lodging house"
648 shall not be construed to include: [(a)] (A) Privately owned and
649 operated convalescent homes, residential care homes, homes for the
650 infirm, indigent or chronically ill; [(b)] (B) religious or charitable homes
651 for the aged, infirm, indigent or chronically ill; [(c)] (C) privately
652 owned and operated summer camps for children; [(d)] (D) summer
653 camps for children operated by religious or charitable organizations;
654 [(e)] (E) lodging accommodations at educational institutions; or [(f)] (F)
655 lodging accommodations at any facility operated by and in the name
656 of any nonprofit charitable organization, provided the income from
657 such lodging accommodations at such facility is not subject to federal
658 income tax.

659 (18) "Operator" means any person operating a hotel or lodging
660 house in the state, including, but not limited to, the owner or
661 proprietor of such premises, lessee, sublessee, mortgagee in
662 possession, licensee or any other person otherwise operating such
663 hotel or lodging house.

664 (19) "Occupancy" means the use or possession, or the right to the
665 use or possession, of any room or rooms in a hotel or lodging house or
666 the right to the use or possession of the furnishings or the services and
667 accommodations accompanying the use and possession of such room
668 or rooms, for the first period of not exceeding thirty consecutive
669 calendar days.

670 (20) "Room" means any room or rooms of any kind in any part or
671 portion of a hotel or lodging house let out for use or possession for
672 lodging purposes.

673 (21) "Rent" means the consideration received for occupancy valued
674 in money, whether received in money or otherwise, including all
675 receipts, cash, credits and property or services of any kind or nature,
676 and also any amount for which credit is allowed by the operator to the
677 occupant, without any deduction therefrom whatsoever.

678 (22) "Certificated air carrier" means a person issued a certificate or
679 certificates by the Federal Aviation Administration pursuant to Title
680 14, Chapter I, Subchapter G, Part 121, 135, 139 or 141 of the Code of
681 Federal Regulations or the Civil Aeronautics Board pursuant to Title
682 14, Chapter II, Subchapter A, Parts 201 to 208, inclusive, and 298 of the
683 Code of Federal Regulations, as such regulations may hereafter be
684 amended or reclassified.

685 (23) "Aircraft" means aircraft, as the term is defined in section 15-34.

686 (24) "Vessel" means vessel, as the term is defined in section 15-127.

687 (25) "Licensed marine dealer" means a marine dealer, as the term is
688 defined in section 15-141, who has been issued a marine dealer's
689 certificate by the Commissioner of Environmental Protection.

690 (26) [(a)] (A) "Telecommunications service" means the transmission
691 of any interactive electromagnetic communications including but not
692 limited to voice, image, data and any other information, by means of
693 but not limited to wire, cable, including fiber optical cable, microwave,
694 radio wave or any combinations of such media, and the leasing of any
695 such service. "Telecommunications service" includes, but is not limited
696 to, basic telephone service, including any facility or service provided in
697 connection with such basic telephone service, toll telephone service
698 and teletypewriter or computer exchange service, including but not
699 limited to residential and business service, directory assistance, two-
700 way cable television service, cellular mobile telephone or
701 telecommunication service, specialized mobile radio and pagers and
702 paging service, including any form of mobile two-way communication.
703 "Telecommunications service" does not include [(1)] (i) nonvoice
704 services in which computer processing applications are used to act on
705 the information to be transmitted, [(2)] (ii) any one-way radio or
706 television broadcasting transmission, [(3)] (iii) any telecommunications
707 service [(A)] (I) rendered by a company in control of such service when
708 rendered for private use within its organization, [(B)] or (II) used,
709 allocated or distributed by a company within its organization,
710 including in such organization affiliates, as defined in section 33-840,
711 for the purpose of conducting business transactions of the organization
712 if such service is purchased or leased from a company rendering
713 telecommunications service and such purchase or lease is subject to tax
714 under this chapter, and [(4)] (iv) access or interconnection service
715 purchased by a provider of telecommunications service from another
716 provider of such service for purposes of rendering such service,
717 provided the purchaser submits to the seller a certificate attesting to
718 the applicability of this exclusion, upon receipt of which the seller is
719 relieved of any tax liability for such sale so long as the certificate is
720 taken in good faith by the seller.

721 [(b)] (B) For purposes of the tax imposed under this chapter [(1)] (i)
722 gross receipts from the rendering of telecommunications service shall
723 include any subscriber line charge or charges as required by the
724 Federal Communications Commission and any charges for access

725 service collected by any person rendering such service unless
726 otherwise excluded from such gross receipts under this chapter; [(2)]
727 (ii) gross receipts from the rendering of telecommunications service
728 shall not include any local charge for calls from public or semipublic
729 telephones; and [(3)] (iii) gross receipts from the rendering of
730 telecommunications service shall not include any charge for calls
731 purchased using a prepaid telephone calling service, as defined in
732 [subsection] subdivision (34) of this [section] subsection.

733 (27) "Community antenna television service" means [(1)] (A) the
734 one-way transmission to subscribers of video programming or
735 information by cable, fiber optics, satellite, microwave or any other
736 means, and subscriber interaction, if any, which is required for the
737 selection of such video programming or information, and [(2)] (B)
738 noncable communications service, as defined in section 16-1, as
739 amended.

740 (28) "Hospital" means a hospital included within the definition of
741 health care facilities or institutions under section 19a-630 and licensed
742 as a short-term general hospital by the Department of Public Health
743 but, does not include (A) any hospital which, on January 30, 1997, is
744 within the class of hospitals licensed by the department as children's
745 general hospitals, or (B) a short-term acute hospital operated
746 exclusively by the state other than a short-term acute hospital operated
747 by the state as a receiver pursuant to chapter 920.

748 (29) "Patient care services" means therapeutic and diagnostic
749 medical services provided by the hospital to inpatients and outpatients
750 including tangible personal property transferred in connection with
751 such services.

752 (30) "Another state" or "other state" means any state of the United
753 States or the District of Columbia excluding the state of Connecticut.

754 (31) "Professional employer agreement" means a written contract
755 between a professional employer organization and a service recipient
756 whereby the professional employer organization agrees to provide at

757 least seventy-five per cent of the employees at the service recipient's
758 worksite, which contract provides that such worksite employees are
759 intended to be permanent employees rather than temporary
760 employees, and employer responsibilities for such worksite
761 employees, including hiring, firing and disciplining, are allocated
762 between the professional employer organization and the service
763 recipient.

764 (32) "Professional employer organization" means any person that
765 enters into a professional employer agreement with a service recipient
766 whereby the professional employer organization agrees to provide at
767 least seventy-five per cent of the employees at the service recipient's
768 worksite.

769 (33) "Worksite employee" means an employee, the employer
770 responsibilities for which, including hiring, firing and disciplining, are
771 allocated, under a professional employer agreement, between a
772 professional employer organization and a service recipient.

773 (34) "Prepaid telephone calling service" means the right to
774 exclusively purchase telecommunications service, that must be paid for
775 in advance and that enables the origination of calls using an access
776 number or authorization code, or both, whether manually or
777 electronically dialed, provided the remaining amount of units of
778 service that have been prepaid shall be known on a continuous basis.

779 (35) "Canned or prewritten software" means all software, other than
780 custom software, that is held or existing for general or repeated sale,
781 license or lease. Software initially developed as custom software for in-
782 house use and subsequently sold, licensed or leased to unrelated third
783 parties shall be considered canned or prewritten software.

784 (36) "Custom software" means a computer program prepared to the
785 special order of a single customer.

786 (37) "Services" for purposes of subdivision (2) of this subsection,
787 means:

788 (A) Computer and data processing services, including, but not
789 limited to, time, programming, code writing, modification of existing
790 programs, feasibility studies and installation and implementation of
791 software programs and systems even where such services are rendered
792 in connection with the development, creation or production of canned
793 or custom software or the license of custom software, and exclusive of
794 services rendered in connection with the creation, development
795 hosting or maintenance of all or part of a web site which is part of the
796 graphical, hypertext portion of the Internet, commonly referred to as
797 the World Wide Web;

798 (B) Credit information and reporting services;

799 (C) Services by employment agencies and agencies providing
800 personnel services;

801 (D) Private investigation, protection, patrol work, watchman and
802 armored car services, exclusive of services of off-duty police officers
803 and off-duty firefighters;

804 (E) Painting and lettering services;

805 (F) Photographic studio services;

806 (G) Telephone answering services;

807 (H) Stenographic services;

808 (I) Services to industrial, commercial or income-producing real
809 property, including, but not limited to, such services as management,
810 electrical, plumbing, painting and carpentry and excluding any such
811 services rendered in the voluntary evaluation, prevention, treatment,
812 containment or removal of hazardous waste, as defined in section
813 22a-115, or other contaminants of air, water or soil, provided
814 income-producing property shall not include property used
815 exclusively for residential purposes in which the owner resides and
816 which contains no more than three dwelling units, or a housing facility
817 for low and moderate income families and persons owned or operated

818 by a nonprofit housing organization, as defined in subdivision (29) of
819 section 12-412;

820 (J) Business analysis, management, management consulting and
821 public relations services, excluding (i) any environmental consulting
822 services, and (ii) any training services provided by an institution of
823 higher education licensed or accredited by the Board of Governors of
824 Higher Education pursuant to section 10a-34;

825 (K) Services providing "piped-in" music to business or professional
826 establishments;

827 (L) Flight instruction and chartering services by a certificated air
828 carrier on an aircraft, the use of which for such purposes, but for the
829 provisions of subdivision (4) of section 12-410 and subdivision (12) of
830 section 12-411, would be deemed a retail sale and a taxable storage or
831 use, respectively, of such aircraft by such carrier;

832 (M) Motor vehicle repair services, including any type of repair,
833 painting or replacement related to the body or any of the operating
834 parts of a motor vehicle;

835 (N) Motor vehicle parking, including the provision of space, other
836 than metered space, in a lot having thirty or more spaces, excluding (i)
837 space in a seasonal parking lot provided by a person who is exempt
838 from taxation under this chapter pursuant to subdivision (1), (5) or (8)
839 of section 12-412, (ii) space in a parking lot owned or leased under the
840 terms of a lease of not less than ten years' duration and operated by an
841 employer for the exclusive use of its employees, (iii) valet parking
842 provided at any airport, and (iv) space in municipally-operated
843 railroad parking facilities in municipalities located within an area of
844 the state designated as a severe nonattainment area for ozone under
845 the federal Clean Air Act;

846 (O) Radio or television repair services;

847 (P) Furniture reupholstering and repair services;

848 (Q) Repair services to any electrical or electronic device, including,
849 but not limited to, equipment used for purposes of refrigeration or
850 air-conditioning;

851 (R) Lobbying or consulting services for purposes of representing the
852 interests of a client in relation to the functions of any governmental
853 entity or instrumentality;

854 (S) Services of the agent of any person in relation to the sale of any
855 item of tangible personal property for such person, exclusive of the
856 services of a consignee selling works of art, as defined in subsection (b)
857 of section 12-376c, or articles of clothing or footwear intended to be
858 worn on or about the human body other than (i) any special clothing
859 or footwear primarily designed for athletic activity or protective use
860 and which is not normally worn except when used for the athletic
861 activity or protective use for which it was designed, and (ii) jewelry,
862 handbags, luggage, umbrellas, wallets, watches and similar items
863 carried on or about the human body but not worn on the body in the
864 manner characteristic of clothing intended for exemption under
865 subdivision (47) of section 12-412, under consignment, exclusive of
866 services provided by an auctioneer;

867 (T) Locksmith services;

868 (U) Advertising or public relations services, including layout, art
869 direction, graphic design, mechanical preparation or production
870 supervision, not related to the development of media advertising or
871 cooperative direct mail advertising;

872 (V) Landscaping and horticulture services;

873 (W) Window cleaning services;

874 (X) Maintenance services;

875 (Y) Janitorial services;

876 (Z) Exterminating services;

877 (AA) Swimming pool cleaning and maintenance services;

878 (BB) Miscellaneous personal services included in industry group 729
879 in the Standard Industrial Classification Manual, United States Office
880 of Management and Budget, 1987 edition, or U.S. industry 532220,
881 812191, 812199 or 812990 in the North American Industrial
882 Classification System United States Manual, United States Office of
883 Management and Budget, 1997 edition, exclusive of (i) services
884 rendered by massage therapists licensed pursuant to chapter 384a, and
885 (ii) services rendered by an electrologist licensed pursuant to chapter
886 388;

887 (CC) Any repair or maintenance service to any item of tangible
888 personal property including any contract of warranty or service related
889 to any such item;

890 (DD) Business analysis, management or managing consulting
891 services rendered by a general partner, or an affiliate thereof, to a
892 limited partnership, provided (i) the general partner, or an affiliate
893 thereof, is compensated for the rendition of such services other than
894 through a distributive share of partnership profits or an annual
895 percentage of partnership capital or assets established in the limited
896 partnership's offering statement, and (ii) the general partner, or an
897 affiliate thereof, offers such services to others, including any other
898 partnership. As used in this subparagraph "an affiliate of a general
899 partner" means an entity which is directly or indirectly owned fifty per
900 cent or more in common with a general partner; and

901 (EE) Notwithstanding the provisions of section 12-412, as amended
902 by this act, except subdivision (87) of said section 12-412, patient care
903 services, as defined in subdivision (29) of this subsection by a hospital.

904 (b) Wherever in this chapter reference is made to the sale of tangible
905 personal property or services, it shall be construed to include sales
906 described in subdivision (2) of subsection (a) of this section, except as
907 may be specifically provided to the contrary.

908 Sec. 2. Subsection (a) of section 12-407a of the general statutes, as
909 amended by section 71 of public act 01-6 of the June special session, is
910 repealed and the following is substituted in lieu thereof (*Effective*
911 *October 1, 2002*):

912 (a) Except as otherwise provided in subsections (b) and (c) of this
913 section, the rendering of telecommunications service shall be subject to
914 tax under this chapter as a sale, for purposes of [subdivision (k) of
915 subsection (2)] subparagraph (K) of subdivision (2) of subsection (a) of
916 section 12-407, as amended by this act, when such service is (1) (A)
917 originated in this state and terminated in this state, (B) originated in
918 this state and terminated outside this state and with respect to which
919 such service is charged to a telephone number, customer or account
920 located in this state or to the account of any transmission instrument in
921 this state, or (C) originated outside this state and terminated in this
922 state and with respect to which such service is charged to a telephone
923 number, customer or account located in this state or to the account of
924 any transmission instrument in this state, or (2) rendered by providing
925 a private interstate telecommunications line on which the customer for
926 such line has two or more locations connected to such line and the
927 charges for which are related to (A) the number of customer locations
928 connected to such line in this state, (B) the distance between customer
929 locations connected to such line in this state, and (C) a portion of such
930 line determined by a ratio, the numerator of which is the number of air
931 miles between the state border and the denominator of which is the
932 number of air miles between said closest connection to the state border
933 in this state and the customer location connected to such line which is
934 closest to the state border outside this state.

935 Sec. 3. Section 12-407c of the general statutes, as amended by section
936 64 of public act 01-6 of the June special session, is repealed and the
937 following is substituted in lieu thereof (*Effective October 1, 2002*):

938 If any person described in subparagraph (E) of [subsection (12)]
939 subdivision (12) of subsection (a) of section 12-407, as amended by this
940 act, is acting in concert with any person described in subparagraph (F)

941 of said [subsection] subdivision (12), the Commissioner of Revenue
942 Services, in the commissioner's discretion, may deem and treat such
943 persons as principal and agent, respectively, when the commissioner
944 deems it necessary for the efficient administration of this chapter and
945 may hold such persons jointly and severally liable for the collection
946 and payment of the taxes imposed by this chapter. An unaffiliated
947 person providing fulfillment services, as defined in subparagraph (C)
948 of [subsection (15)] subdivision (15) of subsection (a) of section 12-407,
949 as amended by this act, to a purchaser of such services shall not be
950 treated as a retailer by the commissioner under this section with
951 respect to such activity.

952 Sec. 4. Subdivision (1) of section 12-408 of the general statutes, as
953 amended by section 3 of public act 01-6 of the June special session, is
954 repealed and the following is substituted in lieu thereof (*Effective*
955 *October 1, 2002*):

956 (1) For the privilege of making any sales, as defined in subdivision
957 (2) of subsection (a) of section 12-407, as amended by this act, at retail,
958 in this state for a consideration, a tax is hereby imposed on all retailers
959 at the rate of six per cent of the gross receipts of any retailer from the
960 sale of all tangible personal property sold at retail or from the
961 rendering of any services constituting a sale in accordance with
962 subdivision (2) of subsection (a) of section 12-407, as amended by this
963 act, except, in lieu of said rate of six per cent, (A) at a rate of twelve per
964 cent with respect to each transfer of occupancy, from the total amount
965 of rent received for such occupancy of any room or rooms in a hotel or
966 lodging house for the first period not exceeding thirty consecutive
967 calendar days, (B) with respect to the sale of a motor vehicle to any
968 individual who is a member of the armed forces of the United States
969 and is on full-time active duty in Connecticut and who is considered,
970 under 50 App USC 574, a resident of another state, or to any such
971 individual and the spouse thereof, at a rate of four and one-half per
972 cent of the gross receipts of any retailer from such sales, provided such
973 retailer requires and maintains a declaration by such individual,
974 prescribed as to form by the commissioner and bearing notice to the

975 effect that false statements made in such declaration are punishable, or
976 other evidence, satisfactory to the commissioner, concerning the
977 purchaser's state of residence under 50 App USC 574, (C) (i) with
978 respect to the sales of computer and data processing services occurring
979 on or after July 1, 1997, and prior to July 1, 1998, at the rate of five per
980 cent, on or after July 1, 1998, and prior to July 1, 1999, at the rate of four
981 per cent, on or after July 1, 1999, and prior to July 1, 2000, at the rate of
982 three per cent, on or after July 1, 2000, and prior to July 1, 2001, at the
983 rate of two per cent, on or after July 1, 2001, and prior to July 1, 2002, at
984 the rate of one per cent and on and after July 1, 2002, such services
985 shall be exempt from such tax, (ii) with respect to sales of Internet
986 access services, on and after July 1, 2001, such services shall be exempt
987 from such tax, (D) with respect to the sales of labor that is otherwise
988 taxable under [subdivision (c) or (g) of subsection (2)] subparagraph
989 (C) or (G) of subdivision (2) of subsection (a) of section 12-407, as
990 amended by this act, on existing vessels and repair or maintenance
991 services on vessels occurring on and after July 1, 1999, such services
992 shall be exempt from such tax, and (E) [with respect to sales of the
993 renovation and repair services of paving of any sort, painting or
994 staining, wallpapering, roofing, siding and exterior sheet metal work,
995 to other than industrial, commercial or income-producing real
996 property, occurring on or after July 1, 1999, and prior to July 1, 2000, at
997 the rate of four per cent, with respect to such sales occurring on or after
998 July 1, 2000, but prior to July 1, 2001, at the rate of two per cent, and on
999 and after July 1, 2001, sales of such renovation and repair services shall
1000 be exempt from such tax, and (F)] with respect to patient care services
1001 occurring on or after July 1, 1999, and prior to July 1, 2001, and with
1002 respect to such services occurring on or after July 1, 2003, at the rate of
1003 five and three-fourths per cent. The rate of tax imposed by this chapter
1004 shall be applicable to all retail sales upon the effective date of such
1005 rate, except that a new rate which represents an increase in the rate
1006 applicable to the sale shall not apply to any sales transaction wherein a
1007 binding sales contract without an escalator clause has been entered
1008 into prior to the effective date of the new rate and delivery is made
1009 within ninety days after the effective date of the new rate. For the

1010 purposes of payment of the tax imposed under this section, any
1011 retailer of services taxable under [subdivision (2)(i)] subparagraph (I)
1012 of subdivision (2) of subsection (a) of section 12-407, as amended by
1013 this act, who computes taxable income, for purposes of taxation under
1014 the Internal Revenue Code of 1986, or any subsequent corresponding
1015 internal revenue code of the United States, as from time to time
1016 amended, on an accounting basis which recognizes only cash or other
1017 valuable consideration actually received as income and who is liable
1018 for such tax only due to the rendering of such services may make
1019 payments related to such tax for the period during which such income
1020 is received, without penalty or interest, without regard to when such
1021 service is rendered.

1022 Sec. 5. Section 12-408b of the general statutes is repealed and the
1023 following is substituted in lieu thereof (*Effective October 1, 2002*):

1024 On and after July 1, 1991, any person, firm or corporation who pays
1025 a sales and use tax, which tax would not have been due prior to July 1,
1026 1991, pursuant to [subsection] subdivision (39) of section 12-412 of the
1027 general statutes, revision of 1958, revised to January 1991, shall recover
1028 the tax paid by (1) adding such tax to any amounts otherwise payable
1029 under a sales contract approved by the Department of Public Utility
1030 Control pursuant to subsection (d) of section 16-243a₂ and (2)
1031 amortizing such tax, together with interest at the rate paid on front-
1032 loaded payments, over the life of a sales contract approved by the
1033 department pursuant to said subsection (d).

1034 Sec. 6. Section 12-410 of the general statutes is repealed and the
1035 following is substituted in lieu thereof (*Effective October 1, 2002*):

1036 (1) For the purpose of the proper administration of this chapter and
1037 to prevent evasion of the sales tax it shall be presumed that all receipts
1038 are gross receipts that are subject to the tax until the contrary is
1039 established. The burden of proving that a sale of tangible personal
1040 property or service constituting a sale in accordance with [subsection
1041 (2)] subdivision (2) of subsection (a) of section 12-407, as amended by
1042 this act, is not a sale at retail is upon the person who makes the sale

1043 unless such person takes in good faith from the purchaser a certificate
1044 to the effect that the property or service is purchased for resale.

1045 (2) The certificate relieves the seller from the burden of proof only if
1046 taken in good faith from a person who is engaged in the business of
1047 selling tangible personal property or services constituting a sale in
1048 accordance with [subsection (2)] subdivision (2) of subsection (a) of
1049 section 12-407, as amended by this act, and who holds the permit
1050 provided for in section 12-409 and who, at the time of purchasing the
1051 tangible personal property or service: (A) Intends to sell it in the
1052 regular course of business; (B) intends to utilize such personal
1053 property in the delivery of landscaping or horticulture services,
1054 provided the total sale price of all such landscaping and horticulture
1055 services are taxable under this chapter; or (C) is unable to ascertain at
1056 the time of purchase whether the property or service will be sold or
1057 will be used for some other purpose. The burden of establishing that a
1058 certificate is taken in good faith is on the seller. A certificate to the
1059 effect that property or service is purchased for resale taken from the
1060 purchaser by the seller shall be deemed to be taken in good faith if the
1061 tangible personal property or service purchased is similar to or of the
1062 same general character as property or service which the seller could
1063 reasonably assume would be sold by the purchaser in the regular
1064 course of business.

1065 (3) The certificate shall be signed by and bear the name and address
1066 of the purchaser, shall indicate the number of the permit issued to the
1067 purchaser and shall indicate the general character of the tangible
1068 personal property or service sold by the purchaser in the regular
1069 course of business. The certificate shall be substantially in such form as
1070 the commissioner prescribes.

1071 (4) [(a)] (A) If a purchaser who gives a certificate makes any use of
1072 the service or property other than retention, demonstration or display
1073 while holding it for sale in the regular course of business, the use shall
1074 be deemed a retail sale by the purchaser as of the time the service or
1075 property is first used by [him] the purchaser, and the cost of the

1076 service or property to [him] the purchaser shall be deemed the gross
1077 receipts from such retail sale.

1078 [(b)] (B) Notwithstanding the provisions of [subdivision (a) of this
1079 subsection] subparagraph (A) of this subdivision, any use by a
1080 certificated air carrier of an aircraft for purposes other than retention,
1081 demonstration or display while holding it for sale in the regular course
1082 of business shall not be deemed a retail sale by such carrier as of the
1083 time the aircraft is first used by such carrier, irrespective of the
1084 classification of such aircraft on the balance sheet of such carrier for
1085 accounting and tax purposes.

1086 (5) For the purpose of the proper administration of this chapter and
1087 to prevent evasion of the sales tax, a sale of any service described in
1088 [subdivision (i) of subsection (2)] subparagraph (I) of subdivision (2) of
1089 subsection (a) of section 12-407, as amended by this act, shall be
1090 considered a sale for resale only if the service to be resold is an
1091 integral, inseparable component part of a service described in said
1092 [subdivision (i)] subparagraph (I) which is to be subsequently sold by
1093 the purchaser to an ultimate consumer. The purchaser of the service
1094 for resale shall maintain, in such form as the commissioner requires,
1095 records which substantiate: (A) From whom the service was purchased
1096 and to whom the service was sold, (B) the purchase price of the service,
1097 and (C) the nature of the service to demonstrate that the services were
1098 an integral, inseparable component part of a service described in
1099 [subdivision (i) of subsection (2)] subparagraph (I) of subdivision (2) of
1100 subsection (a) of section 12-407, as amended by this act, which was
1101 subsequently sold to a consumer.

1102 Sec. 7. Section 12-411 of the general statutes, as amended by sections
1103 2 and 65 of public act 01-6 of the June special session, is repealed and
1104 the following is substituted in lieu thereof (*Effective October 1, 2002*):

1105 (1) An excise tax is hereby imposed on the storage, acceptance,
1106 consumption or any other use in this state of tangible personal
1107 property purchased from any retailer for storage, acceptance,
1108 consumption or any other use in this state, the acceptance or receipt of

1109 any services constituting a sale in accordance with subdivision (2) of
1110 subsection (a) of section 12-407, as amended by this act, purchased
1111 from any retailer for consumption or use in this state, or the storage,
1112 acceptance, consumption or any other use in this state of tangible
1113 personal property which has been manufactured, fabricated,
1114 assembled or processed from materials by a person, either within or
1115 without this state, for storage, acceptance, consumption or any other
1116 use by such person in this state, to be measured by the sales price of
1117 materials, at the rate of six per cent of the sales price of such property
1118 or services, except, in lieu of said rate of six per cent, (A) at a rate of
1119 twelve per cent of the rent paid for occupancy of any room or rooms in
1120 a hotel or lodging house for the first period of not exceeding thirty
1121 consecutive calendar days, (B) with respect to the storage, acceptance,
1122 consumption or use in this state of a motor vehicle purchased from any
1123 retailer for storage, acceptance, consumption or use in this state by any
1124 individual who is a member of the armed forces of the United States
1125 and is on full-time active duty in Connecticut and who is considered,
1126 under 50 App USC 574, a resident of another state, or to any such
1127 individual and the spouse of such individual at a rate of four and
1128 one-half per cent of the sales price of such vehicle, provided such
1129 retailer requires and maintains a declaration by such individual,
1130 prescribed as to form by the commissioner and bearing notice to the
1131 effect that false statements made in such declaration are punishable, or
1132 other evidence, satisfactory to the commissioner, concerning the
1133 purchaser's state of residence under 50 App USC 574, (C) with respect
1134 to the acceptance or receipt in this state of labor that is otherwise
1135 taxable under [subdivision (c) or (g) of subsection (2)] subparagraph
1136 (C) or (G) of subdivision (2) of subsection (a) of section 12-407, as
1137 amended by this act, on existing vessels and repair or maintenance
1138 services on vessels occurring on and after July 1, 1999, such services
1139 shall be exempt from such tax, (D) (i) with respect to the acceptance or
1140 receipt in this state of computer and data processing services
1141 purchased from any retailer for consumption or use in this state
1142 occurring on or after July 1, 1997, and prior to July 1, 1998, at the rate
1143 of five per cent of such services, on or after July 1, 1998, and prior to

1144 July 1, 1999, at the rate of four per cent of such services, on or after July
1145 1, 1999, and prior to July 1, 2000, at the rate of three per cent of such
1146 services, on or after July 1, 2000, and prior to July 1, 2001, at the rate of
1147 two per cent of such services, on and after July 1, 2001, and prior to
1148 July 1, 2002, at the rate of one per cent of such services and on and after
1149 July 1, 2002, such services shall be exempt from such tax, and (ii) with
1150 respect to the acceptance or receipt in this state of Internet access
1151 services, on or after July 1, 2001, such services shall be exempt from
1152 tax, and (E) with respect to the acceptance or receipt in this state of
1153 patient care services purchased from any retailer for consumption or
1154 use in this state occurring on or after July 1, 1999, and prior to July 1,
1155 2001, and with respect to acceptance or receipt in this state of such
1156 services occurring on or after July 1, 2003, at the rate of five and three-
1157 fourths per cent. [, and (F) with respect to acceptance of the renovation
1158 and repair services of paving of any sort, painting or staining,
1159 wallpapering, roofing, siding and exterior sheet metal work, to other
1160 than industrial, commercial or income-producing real property,
1161 occurring on or after July 1, 1999, and prior to July 1, 2000, at the rate
1162 of four per cent, with respect to such sales occurring on or after July 1,
1163 2000, and prior to July 1, 2001, at the rate of two per cent, and on and
1164 after July 1, 2001, sales of such renovation and repair services shall be
1165 exempt from such tax.]

1166 (2) Every person storing, accepting, consuming or otherwise using
1167 in this state services or tangible personal property purchased from a
1168 retailer for storage, acceptance, consumption or any other use in this
1169 state and every person storing, accepting, consuming or otherwise
1170 using in this state tangible personal property which has been
1171 manufactured, fabricated, assembled or processed from materials
1172 purchased from a retailer by such person, either within or without this
1173 state, for storage, acceptance, consumption or any other use by such
1174 person in this state is liable for the tax. [His] Such person's liability is
1175 not extinguished until the tax has been paid to this state, except that a
1176 receipt from a retailer engaged in business in this state or from a
1177 retailer who is authorized by the commissioner, under such
1178 regulations as [he] the commissioner may prescribe, to collect the tax

1179 and who is, for the purposes of this chapter relating to the use tax,
1180 regarded as a retailer engaged in business in this state, given to the
1181 purchaser pursuant to [subsection] subdivision (3) of this section is
1182 sufficient to relieve the purchaser from further liability for the tax to
1183 which the receipt refers.

1184 (3) Every retailer engaged in business in this state and making sales
1185 of services or of tangible personal property for storage, acceptance,
1186 consumption or any other use in this state, not exempted under this
1187 chapter, shall, at the time of making a sale or, if the storage,
1188 acceptance, consumption or other use is not then taxable hereunder, at
1189 the time the storage, acceptance, consumption or use becomes taxable,
1190 collect the use tax from the purchaser and give to the purchaser a
1191 receipt therefor in the manner and form prescribed by the
1192 commissioner. For the purpose of uniformity of tax collection by the
1193 retailer the tax brackets set forth in [subsection] subdivision (3) of
1194 section 12-408 pertaining to the sales tax shall be employed in the
1195 computation of the tax imposed by this section.

1196 (4) The tax required to be collected by the retailer constitutes a debt
1197 owed to the retailer by the person purchasing tangible personal
1198 property or services from such retailer. The amount of tax, when so
1199 collected, shall be deemed to be a special fund in trust for the state of
1200 Connecticut.

1201 (5) The provisions of [subsection] subdivision (4) of section 12-408
1202 pertaining to the sales tax shall apply with equal force to the use tax.

1203 (6) The tax required to be collected by the retailer from the
1204 purchaser shall be displayed separately from the list price, the price
1205 advertised in the premises, the marked price, or other price on the
1206 sales check or other proof of sales.

1207 (7) Any person violating the provisions of [subsection] subdivision
1208 (3), (5) or (6) of this section shall be fined five hundred dollars for each
1209 offense.

1210 (8) Every retailer selling services or tangible personal property for
1211 storage, acceptance, consumption or any other use in this state shall
1212 register with the commissioner and give the name and address of all
1213 agents operating in this state, the location of all distribution or sales
1214 houses or offices or other places of business in this state and such other
1215 information as the commissioner may require.

1216 (9) For the purpose of the proper administration of this chapter and
1217 to prevent evasion of the use tax and the duty to collect the use tax, it
1218 shall be presumed that services or tangible personal property sold by
1219 any person for delivery in this state is sold for storage, acceptance,
1220 consumption or other use in this state until the contrary is established.
1221 The burden of proving the contrary is upon the person who makes the
1222 sale unless such person takes from the purchaser a certificate to the
1223 effect that the services or property is purchased for resale.

1224 (10) The certificate relieves the person selling the services or
1225 property from the burden of proof only if taken in good faith from a
1226 person who is engaged in the business of selling services or tangible
1227 personal property and who holds the permit provided for by section
1228 12-409 and who, at the time of purchasing the services or tangible
1229 personal property, intends to sell it in the regular course of business or
1230 is unable to ascertain at the time of purchase whether the service or
1231 property will be sold or will be used for some other purpose.

1232 (11) The certificate shall be signed by and bear the name and
1233 address of the purchaser, shall indicate the number of the permit
1234 issued to the purchaser and shall indicate the general character of the
1235 service or tangible personal property sold by the purchaser in the
1236 regular course of business. The certificate shall be substantially in such
1237 form as the commissioner may prescribe.

1238 (12) [(a)] (A) If a purchaser who gives a certificate makes any
1239 storage or use of the service or property other than retention,
1240 demonstration or display while holding it for sale in the regular course
1241 of business, the storage or use is taxable as of the time the service or
1242 property is first so stored or used.

1243 [(b)] (B) Notwithstanding the provisions of [subdivision (a) of this
1244 subsection] subparagraph (A) of this subdivision, any storage or use
1245 by a certificated air carrier of an aircraft for purposes other than
1246 retention, demonstration or display while holding it for sale in the
1247 regular course of business shall not be deemed a taxable storage or use
1248 by such carrier as of the time the aircraft is first stored or used by such
1249 carrier, irrespective of the classification of such aircraft on the balance
1250 sheet of such carrier for accounting and tax purposes.

1251 (13) It shall be presumed that tangible personal property shipped or
1252 brought to this state by the purchaser was purchased from a retailer
1253 for storage, use or other consumption in this state.

1254 (14) For the purpose of the proper administration of this chapter
1255 and to prevent evasion of the use tax, a purchase of any service
1256 described in [subdivision (i) of subsection (2)] subparagraph (I) of
1257 subdivision (2) of subsection (a) of section 12-407, as amended by this
1258 act, shall be considered a sale for resale only if the service to be resold
1259 is an integral, inseparable component part of a service described in
1260 said [subdivision (i)] subparagraph (I) which is to be subsequently sold
1261 by the purchaser to an ultimate consumer. The purchaser of the service
1262 for resale shall maintain, in such form as the commissioner requires,
1263 records which substantiate: (A) From whom the service was purchased
1264 and to whom the service was sold; (B) the purchase price of the service;
1265 and (C) the nature of the service to demonstrate that the service was an
1266 integral, inseparable component part of a service described in
1267 [subdivision (i) of subsection (2)] subparagraph (I) of subdivision (2) of
1268 subsection (a) of section 12-407, as amended by this act, which was
1269 subsequently sold to a consumer.

1270 Sec. 8. Subdivision (5) of section 12-412 of the general statutes is
1271 repealed and the following is substituted in lieu thereof (*Effective*
1272 *October 1, 2002*):

1273 (5) Sales of tangible personal property or services to and by
1274 nonprofit charitable hospitals in this state, nonprofit nursing homes,
1275 nonprofit rest homes and nonprofit residential care homes licensed by

1276 the state pursuant to chapter 368v for the exclusive purposes of such
1277 institutions except any such service transaction as described in
1278 subparagraph [(FF) of subdivision (i) of subsection (2)] (EE) of
1279 subdivision (37) of section 12-407, as amended by this act.

1280 Sec. 9. Subdivision (11) of section 12-412 of the general statutes is
1281 repealed and the following is substituted in lieu thereof (*Effective*
1282 *October 1, 2002*):

1283 (11) Professional, insurance or personal service transactions, except
1284 any such service transaction described in [subsection (2)] subdivision
1285 (2) of subsection (a) of section 12-407, as amended by this act, which
1286 involve sales as inconsequential elements for which no separate
1287 charges are made.

1288 Sec. 10. Subdivision (14) of section 12-412 of the general statutes is
1289 repealed and the following is substituted in lieu thereof (*Effective*
1290 *October 1, 2002*):

1291 (14) (A) Nonreturnable containers and returnable dairy product
1292 containers when sold without the contents to persons who place the
1293 contents in the container and sell the contents together with the
1294 container; (B) containers when sold with the contents if the sales price
1295 of the contents is not required to be included in the measure of the
1296 taxes imposed by this chapter; (C) returnable containers when sold
1297 with the contents in connection with a retail sale of the contents or
1298 when resold for refilling. As used herein, "returnable containers"
1299 means containers of a kind customarily returned by the buyer of the
1300 contents for reuse, but does not mean nonrefillable beverage
1301 containers, as defined in [subsection] subdivision (10) of section 22a-
1302 243. All other containers are "nonreturnable containers". Nothing in
1303 this subsection shall be construed so as to tax the gross receipts from
1304 the sale of or the storage, use or other consumption in this state of bags
1305 in which feed for livestock and poultry, as defined in [subsection]
1306 subdivision (12) of this section, is customarily contained.

1307 Sec. 11. Subparagraph (A) of subdivision (62) of section 12-412 of the

1308 general statutes, as amended by section 30 of public act 01-6 of the June
1309 special session, is repealed and the following is substituted in lieu
1310 thereof (*Effective October 1, 2002*):

1311 (62) (A) Sales of any of the services enumerated in [subdivisions (2)
1312 (i), (2) (k) or (2) (l)] subparagraph (I), (K) or (L) of subdivision (2) of
1313 subsection (a) of section 12-407, as amended by this act, that are
1314 rendered for a business entity affiliated with the business entity
1315 rendering such service in such manner that (i) either business entity in
1316 such transaction owns a controlling interest in the other business
1317 entity, or (ii) a controlling interest in each business entity in such
1318 transaction is owned by the same person or persons or business entity
1319 or business entities.

1320 Sec. 12. Subdivision (67) of section 12-412 of the general statutes, as
1321 amended by section 22 of public act 01-6 of the June special session, is
1322 repealed and the following is substituted in lieu thereof (*Effective*
1323 *October 1, 2002*):

1324 (67) Sales of and the storage, use or other consumption, prior to July
1325 1, 2002, of a new motor vehicle which is exclusively powered by a
1326 clean alternative fuel. As used in this [subsection and subsections (68)
1327 and (69)] subdivision and subdivisions (68) and (69) of this section,
1328 "clean alternative fuel" shall mean natural gas or electricity when used
1329 as a motor vehicle fuel or propane when used as a motor vehicle fuel if
1330 such a vehicle meets the federal fleet emissions standards under the
1331 federal Clean Air Act or any emissions standards adopted by the
1332 Commissioner of Environmental Protection as part of the state's
1333 implementation plan under said act.

1334 Sec. 13. Subdivision (85) of section 12-412 of the general statutes is
1335 repealed and the following is substituted in lieu thereof (*Effective*
1336 *October 1, 2002*):

1337 (85) Sales of any landscaping and horticultural services, window
1338 cleaning services or maintenance services, as described in [subdivision
1339 (i) of subsection (2)] subparagraph (I) of subdivision (37) of subsection

1340 (a) of section 12-407, as amended by this act, on or after July 1, 1994,
1341 which are rendered to a person determined to be eligible for, and
1342 currently receiving, total disability benefits under the Social Security
1343 Act, provided such services are rendered at the residence of such
1344 person.

1345 Sec. 14. Subdivision (100) of section 12-412 of the general statutes is
1346 repealed and the following is substituted in lieu thereof (*Effective*
1347 *October 1, 2002*):

1348 (100) Sales of and the acceptance, use or other consumption of any
1349 service described in [subsection (2)] subdivision (2) of subsection (a) of
1350 section 12-407, as amended by this act, that is accepted, used or
1351 consumed in the development, construction, rehabilitation, renovation
1352 or repair of housing facilities for low and moderate income families
1353 and persons, provided such facilities are situated in Qualified Census
1354 Tracts or Difficult Development Areas as designated by the Secretary
1355 of the United States Department of Housing and Urban Development
1356 and provided, further, that the development of such facilities is
1357 assisted by an allocation of Low Income Housing Tax Credits pursuant
1358 to Section 42 of the Internal Revenue Code. For purposes of this
1359 [subsection] subdivision, (A) "housing facilities" means facilities
1360 having as their primary purpose the provision of safe and adequate
1361 housing and related facilities for low and moderate income families
1362 and persons, notwithstanding that said housing provides other
1363 dwelling accommodations for low and moderate income families; (B)
1364 "related facilities" means those facilities defined in subsection (d) of
1365 section 8-243; and (C) "low and moderate income families" means
1366 those families as defined in subsection (h) of said section 8-243.

1367 Sec. 15. Subdivision (106) of section 12-412 of the general statutes is
1368 repealed and the following is substituted in lieu thereof (*Effective*
1369 *October 1, 2002*):

1370 (106) Sales of services enumerated in subparagraph (J) of
1371 subdivision [(2)(i)] (37) of subsection (a) of section 12-407, as amended
1372 by this act, on or after July 1, 1999, which services are rendered to the

1373 central clearinghouse organized and operated under the direction of
1374 the Department of Public Utility Control, by the public utilities of this
1375 state for receiving and giving the notices required by section 16-349.

1376 Sec. 16. Section 12-412e of the general statutes is repealed and the
1377 following is substituted in lieu thereof (*Effective October 1, 2002*):

1378 (a) The exemption from sales tax with respect to sales of any items
1379 purchased with federal food stamp coupons, as provided in
1380 [subsection] subdivision (57) of section 12-412, shall be applicable to
1381 any such sales occurring on or after October 1, 1986, subject to the
1382 provisions of subsections (b) and (c) of this section.

1383 (b) In accordance with the provisions of Section 1505 of the federal
1384 Food Stamp Act of 1985, and notwithstanding the provisions of section
1385 17b-8, the Commissioner of Social Services shall prepare for
1386 submission by the Governor to the United States Department of
1387 Agriculture, a request for waiver of the requirements under said
1388 Section 1505 concerning collection of state sales tax on the sale of
1389 certain items which may be purchased with food stamp coupons,
1390 including the following as reasons for such waiver, (1) the adverse and
1391 disruptive effect of implementation of such requirements by October 1,
1392 1986, on the food stamp program, and (2) the inadequate time for retail
1393 stores to implement the necessary changes in sales tax collection
1394 procedure. In the event the United States Department of Agriculture
1395 rejects, or has failed to approve, by August 1, 1986, the application for
1396 waiver to be submitted as provided in this subsection, the
1397 Commissioner of Revenue Services, in consultation with the
1398 Commissioner of Social Services, shall prepare and submit a plan,
1399 implementing by October 1, 1986, said provisions of Section 1505 of the
1400 Food Stamp Act of 1985, to the joint standing committee having
1401 cognizance of matters related to finance, revenue and bonding. Within
1402 thirty days after receipt of such plan, said joint standing committee
1403 shall advise the Commissioner of Revenue Services, of its approval,
1404 denial or modifications, if any, of such plan. The Commissioner of
1405 Revenue Services shall take any action necessary to implement such

1406 plan in accordance with the authority under section 12-426.

1407 (c) In the event such request for waiver of requirements in Section
1408 1505 of the Food Stamp Act of 1985, submitted in accordance with
1409 subsection (b) of this section, is approved by the United States
1410 Department of Agriculture prior to October 1, 1986, [subsection]
1411 subdivision (57) of section 12-412 shall be applicable with respect to
1412 such sales occurring on or after the date when waiver of said
1413 requirements is terminated, as acknowledged by the Commissioner of
1414 Revenue Services, and said commissioner shall, not less than sixty
1415 days prior to the date of termination of such waiver, take such action
1416 as deemed necessary to implement compliance with requirements in
1417 said Section 1505 of the Food Stamp Act of 1985, as of the date of such
1418 termination.

1419 Sec. 17. Subsection (a) of section 12-412f of the general statutes is
1420 repealed and the following is substituted in lieu thereof (*Effective*
1421 *October 1, 2002*):

1422 (a) The exemption from sales tax allowed in accordance with
1423 [subsection] subdivision (62) of section 12-412, as amended by this act,
1424 shall be applicable to sales of certain services as provided in said
1425 [subsection] subdivision (62) and additionally, with respect to such
1426 sales of services rendered in the period December 1, 1981, to June 30,
1427 1987, inclusive.

1428 Sec. 18. Section 12-412h of the general statutes is repealed and the
1429 following is substituted in lieu thereof (*Effective October 1, 2002*):

1430 For purposes of the exemptions from sales and use tax under
1431 [subsections] subdivisions (3) and (16) of section 12-412, applicable to
1432 sales for use directly in agricultural production, fabrication of a
1433 finished product to be sold or furnishing of power to an industrial
1434 manufacturing plant, the burden of proving that a sale under said
1435 subsections is not subject to tax is upon the person making such sale
1436 unless such person takes a certificate from the purchaser, in good faith,
1437 to the effect that such sale is for an exempt purpose under the

1438 applicable subsection. Such certificate shall be signed by and bear the
1439 name and address of the manufacturer or producer and shall be on a
1440 form furnished by the commissioner for such purpose.

1441 Sec. 19. Subsection (f) of section 12-415 of the general statutes is
1442 repealed and the following is substituted in lieu thereof (*Effective*
1443 *October 1, 2002*):

1444 (f) Except in the case of fraud, intent to evade this chapter or
1445 authorized regulations, failure to make a return, or claim for additional
1446 amount pursuant to [subsection] subdivision (3) of section 12-418,
1447 every notice of a deficiency assessment shall be mailed within three
1448 years after the last day of the month following the period for which the
1449 amount is proposed to be assessed or within three years after the
1450 return is filed, whichever period expires later. The limitation specified
1451 in this subsection does not apply in case of a sales tax proposed to be
1452 assessed with respect to sales of services or property for the storage,
1453 acceptance, consumption or other use of which notice of a deficiency
1454 assessment has been or is given pursuant to subsection (e) of this
1455 section, subsection (c) of section 12-416, [subsection] subdivision (1) of
1456 section 12-417 and this subsection. The limitation specified in this
1457 subsection does not apply in case of an amount of use tax proposed to
1458 be assessed with respect to storage, acceptance, consumption or other
1459 use of services or property for the sale of which notice of a deficiency
1460 assessment has been or is given pursuant to said subsections and this
1461 subsection.

1462 Sec. 20. Section 12-416b of the general statutes is repealed and the
1463 following is substituted in lieu thereof (*Effective October 1, 2002*):

1464 The Commissioner of Revenue Services is authorized to pay to a
1465 revenue agency of another state an amount not to exceed fifty per cent
1466 of the tax actually collected as the result of an assessment made under
1467 section 12-416 against any purchaser of tangible personal property or
1468 services described in [subsection (2)] subdivision (2) of subsection (a)
1469 of section 12-407, as amended by this act, if said commissioner, in [his]
1470 the commissioner's sole discretion, determines that information

1471 provided by such agency was instrumental in the making of such
1472 assessment.

1473 Sec. 21. Subdivisions (1) and (2) of section 12-417 of the general
1474 statutes are repealed and the following is substituted in lieu thereof
1475 (*Effective October 1, 2002*):

1476 (1) If the commissioner believes that the collection of any tax or any
1477 amount of tax required to be collected and paid to the state or of any
1478 assessment will be jeopardized by delay, the commissioner shall make
1479 an assessment of the tax or amount of tax required to be collected,
1480 noting that fact upon the assessment and serving written notice
1481 thereof, personally or by mail, in the manner prescribed for service of
1482 notice of a deficiency assessment, on the person against whom the
1483 jeopardy assessment is made. Ten days after the date on which such
1484 notice is served on such person, such notice shall constitute a final
1485 assessment except only for such amounts as to which such person has
1486 filed a written petition for reassessment with the commissioner, as
1487 provided in [subsection] subdivision (3) of this section.

1488 (2) The amount assessed is due and payable no later than the tenth
1489 day after service of the notice of assessment, unless on or before such
1490 tenth day the person against whom such assessment is made has
1491 obtained a stay of collection, as provided in [subsection] subdivision
1492 (3) of this section. To the extent that collection has not been stayed, the
1493 commissioner may enforce collection of such tax by using the method
1494 provided in section 12-35 or by using any other method provided for
1495 in the general statutes relating to the enforced collection of taxes,
1496 provided, if the amount of such tax has been definitely fixed, the
1497 amount so fixed shall be assessed and collected, and if the amount of
1498 such tax has not been definitely fixed, the commissioner shall assess
1499 and collect such amount as, in the commissioner's opinion, from the
1500 facts available to the commissioner, is sufficient. If the amount
1501 specified in the notice of jeopardy assessment is not paid on or before
1502 the tenth day after service of notice thereof upon the person against
1503 whom the jeopardy assessment is made, the delinquency penalty and

1504 the interest provided in section 12-419 shall attach to the amount of the
1505 tax or the amount of the tax required to be collected.

1506 Sec. 22. Subsection (c) of section 12-420b of the general statutes is
1507 repealed and the following is substituted in lieu thereof (*Effective*
1508 *October 1, 2002*):

1509 (c) The commissioner may, in the commissioner's sole discretion,
1510 terminate a managed compliance agreement and conduct an audit of
1511 an eligible taxpayer under [subsection] subdivision (1) of section 12-
1512 415, if the eligible taxpayer fails to fulfill any of the terms of a managed
1513 compliance agreement and such failure is materially adverse to the
1514 commissioner and the taxpayer fails to cure such failure not later than
1515 thirty days after the mailing of written notice of such failure by the
1516 commissioner, provided no such notice need be given in the event
1517 such failure is not capable of being cured or the commissioner believes
1518 that the collection of any tax required to be collected and paid to the
1519 state or of any assessment will be jeopardized by delay. Any such
1520 termination shall be effective on the first day of the fourth month
1521 following the month in which notice of such termination is given by
1522 the commissioner to the taxpayer, except that such termination shall
1523 take effect immediately if such failure is not capable of being cured or
1524 if the commissioner believes that the collection of any tax required to
1525 be collected and paid to the state or of any assessment will be
1526 jeopardized by delay.

1527 Sec. 23. Subsections (b) and (c) of section 12-420c of the general
1528 statutes are repealed and the following is substituted in lieu thereof
1529 (*Effective October 1, 2002*):

1530 (b) Such agreement may provide that, upon compliance by the
1531 taxpayer with all the terms of said agreement, in calculating the total
1532 amount of the audit assessment resulting from such managed audit the
1533 first ten thousand dollars of interest and ten per cent of any additional
1534 interest otherwise due under [subsection] subdivision (2) of section 12-
1535 415 shall not be imposed. Any interest accruing after the initial
1536 assessment shall be at the rate of interest specified in [subsection]

1537 subdivision (2) of section 12-415.

1538 (c) The commissioner may, in the commissioner's sole discretion,
1539 terminate a managed audit agreement and conduct an audit of an
1540 eligible taxpayer under [subsection] subdivision (1) of section 12-415,
1541 if the eligible taxpayer fails to fulfill any of the terms of a managed
1542 audit agreement, or if the commissioner believes that a managed audit
1543 should not be conducted for any other reason.

1544 Sec. 24. Subdivision (2) of section 12-425 of the general statutes is
1545 repealed and the following is substituted in lieu thereof (*Effective*
1546 *October 1, 2002*):

1547 (2) No credit or refund of any amount paid pursuant to section 12-
1548 411 shall be allowed on the ground that the storage, acceptance,
1549 consumption or other use of the services or property is exempted
1550 under [subsection] subdivision (1) of section 12-413, unless in addition
1551 to the overpayment for which the claim is filed the claimant also has
1552 reimbursed [his] the claimant's vendor for the amount of the sales tax
1553 imposed upon [his] the claimant's vendor with respect to the sale of
1554 the property and paid by the vendor to the state.

1555 Sec. 25. Section 12-432b of the general statutes is repealed and the
1556 following is substituted in lieu thereof (*Effective October 1, 2002*):

1557 If any section, subsection, part, clause or phrase in [subsections]
1558 subdivisions (12) and (15) of subsection (a) of section 12-407, as
1559 amended by this act, and section 12-432a is for any reason held to be
1560 invalid or unconstitutional, any section, subsection, part, clause or
1561 phrase in said [subsections] subdivisions (12) and (15) of subsection (a)
1562 of section 12-407, as amended by this act, and section 12-432a not held
1563 to be invalid or unconstitutional shall not be affected and shall remain
1564 in full force and effect.

1565 Sec. 26. Section 3-114k of the general statutes is repealed and the
1566 following is substituted in lieu thereof (*Effective October 1, 2002*):

1567 For the fiscal year ending June 30, 1995, the Comptroller is

1568 authorized to record as revenue for said fiscal year (1) the amount of
1569 federal funds received no later than September 30, 1995, from the
1570 participation of acute care hospitals in the federal Medicaid and
1571 emergency assistance programs, and attributable to the state
1572 appropriation to the Department of Social Services for the fiscal year
1573 ending June 30, 1995, (2) the amount of hospital gross earnings tax
1574 received no later than September 30, 1995, from hospitals under the
1575 provisions of section 12-263b relating to earnings of such hospitals
1576 prior to July 1, 1995, (3) the amount of sales and use tax received no
1577 later than September 30, 1995, for patient care services under the
1578 provisions of [subsection (2)] subdivision (2) of subsection (a) of
1579 section 12-407, as amended by this act, relating to payments for patient
1580 care services prior to July 1, 1995, and (4) any additional amounts to be
1581 received as described in subdivisions (1) to (3), inclusive, of this section
1582 as each such amount is estimated by the Secretary of the Office of
1583 Policy and Management.

1584 Sec. 27. Subdivision (3) of subsection (a) of section 12-458 of the
1585 general statutes is repealed and the following is substituted in lieu
1586 thereof (*Effective October 1, 2002*):

1587 (3) Said tax shall not be payable on such fuel as may have been (A)
1588 sold to the United States, (B) sold to a municipality of this state, (i) for
1589 use by any contractor performing a service for such municipality in
1590 accordance with a contract, provided such fuel is used by such
1591 contractor exclusively for the purposes of and in accordance with such
1592 contract, or (ii) for use exclusively in a school bus, as defined in section
1593 14-275, (C) sold to a municipality of this state, a transit district of this
1594 state, or this state, at other than a retail outlet, for governmental
1595 purposes and for use in vehicles owned and operated, or leased and
1596 operated by such municipality, such transit district or this state, (D)
1597 sold to a person licensed as a distributor in this state under section 12-
1598 456, (E) transferred from storage within this state to some point
1599 without this state, (F) sold to the holder of a permit issued under
1600 section 12-458a for sale or use without this state, (G) sold to the holder
1601 of a permit issued under [subsection] subdivision (63) of section 12-

1602 412, provided (i) such fuel is not used in motor vehicles registered or
1603 required to be registered to operate upon the public highways of this
1604 state, unless such fuel is used in motor vehicles registered exclusively
1605 for farming purposes, (ii) such fuel is not delivered, upon such sale, to
1606 a tank in which such person keeps fuel for personal and farm use, and
1607 (iii) a statement, prescribed as to form by the Commissioner of
1608 Revenue Services and bearing notice to the effect that false statements
1609 made under this section are punishable, that such fuel is used
1610 exclusively for farming purposes, is submitted by such person to the
1611 distributor, (H) sold exclusively to furnish power for an industrial
1612 plant in the actual fabrication of finished products to be sold, or for the
1613 fishing industry, (I) sold exclusively for heating purposes, (J) sold
1614 exclusively to furnish gas, water, steam or electricity, if delivered to
1615 consumers through mains, lines or pipes, (K) sold to the owner or
1616 operator of an aircraft, as defined in section 15-34, exclusively for
1617 aviation purposes, provided (i) for purposes of this subdivision,
1618 "aviation purposes" means for the purpose of powering an aircraft or
1619 an aircraft engine, (ii) such fuel is delivered, upon such sale, to a tank
1620 in which fuel is kept exclusively for aviation purposes, and (iii) a
1621 statement, prescribed as to form by the Commissioner of Revenue
1622 Services and bearing notice to the effect that false statements made
1623 under this section are punishable, that such fuel is used exclusively for
1624 aviation purposes, is submitted by such person to the distributor, (L)
1625 sold to a dealer who is licensed under section 12-462 and whose place
1626 of business is located upon an established airport within this state, or
1627 (M) diesel fuel sold exclusively for use in portable power system
1628 generators that are larger than one hundred fifty kilowatts.

1629 Sec. 28. Section 19a-668 of the general statutes is repealed and the
1630 following is substituted in lieu thereof (*Effective October 1, 2002*):

1631 Notwithstanding section 19a-667, the Office of Health Care Access
1632 may maintain or enter into any contract or contracts with one or more
1633 private entities within available appropriations to deactivate, audit or
1634 consult on any rights, duties or obligations owed to the
1635 uncompensated care pool prior to April 1, 1994, to assist the

1636 Department of Social Services and to assist in the administration of
1637 sections 3-114i and 12-263a to 12-263e, inclusive, subdivisions (2) and
1638 (29) of subsection (a) of section 12-407, as amended by this act,
1639 [subsection] subdivision (1) of section 12-408, as amended by this act,
1640 section 12-408a, subdivision (5) of section 12-412, [subsection]
1641 subdivision (1) of section 12-414, and sections 19a-646, 19a-659 to 19a-
1642 662, inclusive, and 19a-666 to 19a-680, inclusive, on or after April 1,
1643 1994.

1644 Sec. 29. Section 19a-669 of the general statutes is repealed and the
1645 following is substituted in lieu thereof (*Effective October 1, 2002*):

1646 Effective October 1, 1993, and October first of each subsequent year,
1647 the Secretary of the Office of Policy and Management shall determine
1648 and inform the Office of Health Care Access of the maximum amount
1649 of disproportionate share payments and emergency assistance to
1650 families eligible for federal matching payments under the Medical
1651 Assistance Program or the Emergency Assistance to Families Program
1652 pursuant to federal statute and regulations and subdivisions (2) and
1653 (28) of subsection (a) of section 12-407, as amended by this act,
1654 [subsection] subdivision (1) of section 12-408, as amended by this act,
1655 subdivision (5) of section 12-412, section 12-414, sections 19a-649, 19a-
1656 660 and 19a-661 and this section and the actual and anticipated
1657 appropriation to the medical assistance disproportionate share-
1658 emergency assistance account authorized pursuant to sections 3-114i
1659 and 12-263a to 12-263e, inclusive, subdivisions (2) and (29) of
1660 subsection (a) of section 12-407, as amended by this act, [subsection]
1661 subdivision (1) of section 12-408, as amended by this act, section 12-
1662 408a, subdivision (5) of section 12-412, [subsection] subdivision (1) of
1663 section 12-414 and sections 19a-646, 19a-659 to 19a-662, inclusive, and
1664 19a-666 to 19a-680, inclusive, and the amount of emergency assistance
1665 to families' payments to hospitals projected for the year, and the
1666 anticipated amount of any increase in payments made pursuant to any
1667 resolution of any civil action pending on April 1, 1994, in the United
1668 States district court for the district of Connecticut. The Department of
1669 Social Services shall inform the office of any amount of

1670 uncompensated care which the Department of Social Services
1671 determines is due to a failure on the part of the hospital to register
1672 patients for emergency assistance to families, or a failure to bill
1673 properly for emergency assistance to families' patients. If during the
1674 course of a fiscal year the Secretary of the Office of Policy and
1675 Management determines that these amounts should be revised, [he]
1676 the secretary shall so notify the office and the office may modify its
1677 calculation pursuant to section 19a-671 to reflect such revision and its
1678 orders in accordance with section 19a-660, as it deems appropriate and
1679 the Commissioner of Social Services may modify his determination
1680 pursuant to section 19a-671.

1681 Sec. 30. Subsection (d) of section 19a-670 of the general statutes, as
1682 amended by section 3 of public act 01-3 of the June special session, is
1683 repealed and the following is substituted in lieu thereof (*Effective*
1684 *October 1, 2002*):

1685 (d) Nothing in section 3-114i, [subdivisions] subdivision (2) or (29)
1686 of subsection (a) of section 12-407, as amended by this act, [subsection]
1687 subdivision (1) of section 12-408, as amended by this act, section
1688 12-408a, subdivision (5) of section 12-412, [subsection] subdivision (1)
1689 of section 12-414, sections 12-263a to 12-263e, inclusive, sections
1690 19a-646, 19a-659 to 19a-662 or 19a-666 to 19a-680, inclusive, or sections
1691 1, 2, or 38 of public act 94-9* shall be construed to require the
1692 Department of Social Services to pay out more funds than are
1693 appropriated pursuant to said sections.

1694 Sec. 31. Section 19a-671 of the general statutes is repealed and the
1695 following is substituted in lieu thereof (*Effective October 1, 2002*):

1696 The Commissioner of Social Services is authorized to determine the
1697 amount of payments pursuant to sections 19a-670 to 19a-672, inclusive,
1698 for each hospital. The commissioner's determination shall be based on
1699 the advice of the office and the application of the calculation in this
1700 section. For each hospital the Office of Health Care Access shall
1701 calculate the amount of payments to be made pursuant to sections 19a-
1702 670 to 19a-672, inclusive, as follows:

1703 (1) For the period April 1, 1994, to June 30, 1994, inclusive, and for
1704 the period July 1, 1994, to September 30, 1994, inclusive, the office shall
1705 calculate and advise the Commissioner of Social Services of the
1706 amount of payments to be made to each hospital as follows:

1707 (A) Determine the amount of pool payments for the hospital,
1708 including grants approved pursuant to section 19a-168k, in the
1709 previously authorized budget authorization for the fiscal year
1710 commencing October 1, 1993.

1711 (B) Calculate the sum of the result of subparagraph (A) of this
1712 subdivision for all hospitals.

1713 (C) Divide the result of subparagraph (A) of this subdivision by the
1714 result of subparagraph (B) of this subdivision.

1715 (D) From the anticipated appropriation to the medical assistance
1716 disproportionate share-emergency assistance account made pursuant
1717 to sections 3-114i and 12-263a to 12-263e, inclusive, subdivisions (2)
1718 and (29) of subsection (a) of section 12-407, as amended by this act,
1719 [subsection] subdivision (1) of section 12-408, as amended by this act,
1720 section 12-408a, subdivision (5) of section 12-412, [subsection]
1721 subdivision (1) of section 12-414 and sections 19a-646, 19a-659 to 19a-
1722 662, inclusive, and 19a-666 to 19a-680, inclusive, for the quarter
1723 subtract the amount of any additional medical assistance payments
1724 made to hospitals pursuant to any resolution of or court order entered
1725 in any civil action pending on April 1, 1994, in the United States
1726 District Court for the district of Connecticut, and also subtract the
1727 amount of any emergency assistance to families payments projected by
1728 the office to be made to hospitals in the quarter.

1729 (E) The disproportionate share payment shall be the result of
1730 subparagraph (D) of this subdivision multiplied by the result of
1731 subparagraph (C) of this subdivision.

1732 (2) For the fiscal year commencing October 1, 1994, and subsequent
1733 fiscal years, the interim payment shall be calculated as follows for each

1734 hospital:

1735 (A) For each hospital determine the amount of the medical
1736 assistance underpayment determined pursuant to section 19a-659, plus
1737 the actual amount of uncompensated care including emergency
1738 assistance to families determined pursuant to section 19a-659, less any
1739 amount of uncompensated care determined by the Department of
1740 Social Services to be due to a failure of the hospital to enroll patients
1741 for emergency assistance to families, plus the amount of any grants
1742 authorized pursuant to the authority of section 19a-168k.

1743 (B) Calculate the sum of the result of subparagraph (A) of this
1744 subdivision for all hospitals.

1745 (C) Divide the result of subparagraph (A) of this subdivision by the
1746 result of subparagraph (B) of this subdivision.

1747 (D) From the anticipated appropriation made to the medical
1748 assistance disproportionate share-emergency assistance account
1749 pursuant to sections 3-114i and 12-263a to 12-263e, inclusive,
1750 subdivisions (2) and (29) of section 12-407, [subsection] subdivision (1)
1751 of section 12-408, section 12-408a, subdivision (5) of section 12-412,
1752 [subsection] subdivision (1) of section 12-414 and sections 19a-646, 19a-
1753 659 to 19a-662, inclusive, and 19a-666 to 19a-680, inclusive, for the
1754 fiscal year, subtract the amount of any additional medical assistance
1755 payments made to hospitals pursuant to any resolution of or court
1756 order entered in any civil action pending on April 1, 1994, in the
1757 United States District Court for the district of Connecticut, and also
1758 subtract any emergency assistance to families payments projected by
1759 the office to be made to the hospitals for the year.

1760 (E) The disproportionate share payment shall be the result of
1761 subparagraph (D) of this subdivision multiplied by the result of
1762 subparagraph (C) of this subdivision.

1763 Sec. 32. Section 19a-672 of the general statutes is repealed and the
1764 following is substituted in lieu thereof (*Effective October 1, 2002*):

1765 The funds appropriated to the medical assistance disproportionate
1766 share-emergency assistance account pursuant to sections 3-114i and 12-
1767 263a to 12-263e, inclusive, subdivisions (2) and (29) of subsection (a) of
1768 section 12-407, as amended by this act, [subsection] subdivision (1) of
1769 section 12-408, as amended by this act, section 12-408a, subdivision (5)
1770 of section 12-412, [subsection] subdivision (1) of section 12-414 and
1771 sections 19a-646, 19a-659 to 19a-662, inclusive, and 19a-666 to 19a-680,
1772 inclusive, shall be used by said account to make disproportionate share
1773 payments to hospitals, including grants to hospitals pursuant to
1774 section 19a-168k, and to make emergency assistance to families
1775 payments to hospitals. In addition, the medical assistance
1776 disproportionate share-emergency assistance account may utilize a
1777 portion of these funds to make outpatient payments as the Department
1778 of Social Services determines appropriate or to increase the standard
1779 medical assistance payments to hospitals if the Department of Social
1780 Services determines it to be appropriate to settle any civil action
1781 pending on April 1, 1994, in the United States District Court for the
1782 district of Connecticut. Notwithstanding any other provision of the
1783 general statutes, the Department of Social Services shall not be
1784 required to make any payments pursuant to sections 3-114i and 12-
1785 263a to 12-263e, inclusive, subdivisions (2) and (29) of subsection (a) of
1786 section 12-407, as amended by this act, [subsection] subdivision (1) of
1787 section 12-408, as amended by this act, section 12-408a, subdivision (5)
1788 of section 12-412, [subsection] subdivision (1) of section 12-414 and
1789 sections 19a-646, 19a-659 to 19a-662, inclusive, and 19a-666 to 19a-680,
1790 inclusive, in excess of the funds available in the medical assistance
1791 disproportionate share-emergency assistance account.

1792 Sec. 33. Section 22a-9 of the general statutes is repealed and the
1793 following is substituted in lieu thereof (*Effective October 1, 2002*):

1794 The commissioner shall act as the official agent of the state in all
1795 matters affecting the purposes of this title and sections 2-20a, 5-238a,
1796 subsection (c) of section 7-131a, sections 7-131e, 7-131f, subsection (a)
1797 of section 7-131g, sections 7-131i, 7-131l, subsection (a) of section 10-
1798 320b, subdivisions (51) and (52) of section 12-81, [subsections]

1799 subdivisions (21) and (22) of section 12-412, subsections (a) and (b) of
1800 section 13a-94, sections 13a-142a, 13b-56, 13b-57, 14-100b, 14-164c,
1801 chapter 268, sections 16a-103, 22-91c, 22-91e, subsections (b) and (c) of
1802 section 22a-148, section 22a-150, subdivisions (2) and (3) of section 22a-
1803 151, sections 22a-153, 22a-154, 22a-155, 22a-156, 22a-158, chapter 446c,
1804 sections 22a-295, 22a-300, 22a-308, 22a-416, chapters 446h to 446k,
1805 inclusive, chapters 447 and 448, sections 23-35, 23-37a, 23-41, chapter
1806 462, section 25-34, chapter 477, subsection (b) of section 25-128,
1807 subsection (a) of section 25-131, chapters 490 and 491 and sections 26-
1808 257, 26-297, 26-303 and 47-46a, under any federal laws now or
1809 hereafter to be enacted and as the official agent of any municipality,
1810 district, region or authority or other recognized legal entity in
1811 connection with the grant or advance of any federal or other funds or
1812 credits to the state or through the state, to its political subdivisions.

1813 Sec. 34. Subsection (a) of section 26-82 of the general statutes is
1814 repealed and the following is substituted in lieu thereof (*Effective*
1815 *October 1, 2002*):

1816 (a) No person shall hunt, pursue, wound or kill any deer or sell or
1817 offer for sale or have in possession the flesh of any deer captured or
1818 killed in this state, or have in possession the flesh of any deer from any
1819 other state or country unless it is properly tagged as required by such
1820 state or country except as provided by the terms of this chapter or
1821 regulations adopted pursuant thereto, and except that any landowner
1822 or primary lessee of land owned by such landowner or the husband or
1823 wife or any lineal descendant of such landowner or lessee or any
1824 designated agent of such landowner or lessee may kill deer with a
1825 shotgun, rifle or bow and arrow provided a damage permit has first
1826 been obtained from the commissioner and such person has not been
1827 convicted for any violation of section 26-82, 26-85, 26-86a, 26-86b or 26-
1828 90 or subsection (b) of section 26-86a-2 of the regulations of
1829 Connecticut state agencies within three years preceding the date of
1830 application. Upon the receipt of an application, on forms provided by
1831 the commissioner and containing such information as said
1832 commissioner may require, from any landowner who has or whose

1833 primary lessee has an actual or potential gross annual income of
1834 twenty-five hundred dollars or more from the commercial cultivated
1835 production of grain, forage, fruit, vegetables, flowers, ornamental
1836 plants or Christmas trees and who is experiencing an actual or
1837 potential loss of income because of severe damage by deer, the
1838 commissioner shall issue not more than six damage permits without
1839 fee to such landowner or the primary lessee of such landowner, or the
1840 wife, husband, lineal descendant or designated agent of such
1841 landowner or lessee. The application shall be notarized and signed by
1842 all landowners or by the landowner or a lessee to whom a farmer tax
1843 exemption permit has been issued pursuant to [subsection]
1844 subdivision (63) of section 12-412. Such damage permit shall be valid
1845 through October thirty-first of the year in which it is issued and may
1846 specify the hunting implement or shot size or both which shall be used
1847 to take such deer. The commissioner may at any time revoke such
1848 permit for violation of any provision of this section or for violation of
1849 any regulation pursuant thereto or upon the request of the applicant.
1850 Notwithstanding the provisions of section 26-85, the commissioner
1851 may issue a permit to any landowner or primary lessee of land owned
1852 by such landowner or the husband or wife or any lineal descendant of
1853 such landowner or lessee and to not more than three designated agents
1854 of such landowner or lessee to use a jacklight for the purpose of taking
1855 deer when it is shown, to the satisfaction of the commissioner, that
1856 such deer is causing damage which cannot be reduced during the
1857 daylight hours between sunrise and one-half hour after sunset on the
1858 land of such landowner. The commissioner may require notification as
1859 specified on such permit prior to its use. Any deer killed in accordance
1860 with the provisions of this section shall be the property of the owner of
1861 the land upon which the same has been killed, but shall not be sold,
1862 bartered, traded or offered for sale, and the person who kills any such
1863 deer shall tag and report each deer killed, as provided in section 26-
1864 86b. Upon receipt of the report required by section 26-86b, the
1865 commissioner shall issue an additional damage permit to the person
1866 making such report. Any deer killed otherwise than under the
1867 conditions provided for in this chapter or regulations adopted

1868 pursuant thereto shall remain the property of the state and may be
1869 disposed of by the commissioner at [his] the commissioner's discretion
1870 to any state institution or may be sold and the proceeds of such sale
1871 shall be remitted to the State Treasurer, who shall apply the same to
1872 the General Fund, and no person, except the commissioner, shall retail,
1873 sell or offer for sale the whole or any part of any such deer. No person
1874 shall be a designated agent of more than one landowner or primary
1875 lessee in any calendar year. No person shall make, set or use any trap,
1876 snare, salt lick, bait or other device for the purpose of taking, injuring
1877 or killing any deer, nor shall any person hunt, pursue or kill deer being
1878 pursued by any dog, whether or not such dog is owned or controlled
1879 by [him] such person, except that no person shall be guilty of a
1880 violation under this section when such a deer is struck by a motor
1881 vehicle operated by [him] such person. No person shall use or allow
1882 any dog in [his] such person's charge to hunt, pursue or kill deer. No
1883 permit shall be issued when in the opinion of the commissioner the
1884 public safety may be jeopardized.

1885 Sec. 35. Subsection (a) of section 32-305 of the general statutes, as
1886 amended by section 5 of public act 01-6 of the June special session, is
1887 repealed and the following is substituted in lieu thereof (*Effective*
1888 *October 1, 2002*):

1889 (a) The Commissioner of Revenue Services shall segregate (1) one
1890 and one-half per cent of the gross receipts from sales within the
1891 meaning of [subdivision (h) of subsection (2)] subparagraph (H) of
1892 subdivision (2) of subsection (a) of section 12-407, as amended by this
1893 act, by any hotel or lodging house located in any municipality having a
1894 population of less than sixty-five thousand, (2) three and one-half per
1895 cent of the gross receipts from such sales in any municipality having a
1896 population of sixty-five thousand or more but less than seventy-five
1897 thousand, and (3) four and one-half per cent of the gross receipts from
1898 such sales in any municipality having a population of seventy-five
1899 thousand or more, provided the commissioner shall segregate three
1900 and one-half per cent of the gross receipts from such sales in the
1901 municipality having the most popular tourist attraction in the state, as

1902 determined by the Office of Tourism, if such municipality has a
1903 population of less than sixty-five thousand.

1904 Sec. 36. Subsection (b) of section 51-164n of the general statutes, as
1905 amended by section 5 of public act 01-186, is repealed and the
1906 following is substituted in lieu thereof (*Effective October 1, 2002*):

1907 (b) Notwithstanding any provision of the general statutes to the
1908 contrary, any person who is alleged to have committed (1) a violation
1909 under the provisions of section 1-9, 1-10, 1-11, 4b-13, 7-13, 7-14, 7-18, 7-
1910 35, 7-41, 7-83, 7-104, 7-283, 7-325, 7-393, 8-25, 8-27, 9-63, 9-296, 9-305, 9-
1911 322, 9-350, 10-193, 10-197, 10-198, 10-230, 10-251, 10-254, 12-52, 12-
1912 170aa, 12-292, 12-326g, [subsection] subdivision (4) of section 12-408,
1913 [subsection] subdivision (3), (5) or (6) of section 12-411, section 12-435c,
1914 12-476a, 12-476b, 12-487, 13a-71, 13a-107, 13a-113, 13a-114, 13a-115,
1915 13a-117b, 13a-123, 13a-124, 13a-139, 13a-140, 13a-143b, 13a-247, 13a-
1916 253, subsection (f) of section 13b-42, section 13b-90, 13b-221, 13b-224,
1917 13b-292, 13b-336, 13b-337, 13b-338, 13b-410a, 13b-410b, 13b-410c,
1918 subsection (a), (b) or (c) of section 13b-412, section 13b-414, subsection
1919 (d) of section 14-12, section 14-20a, 14-27a, subsection (e) of section 14-
1920 34a, subsection (d) of section 14-35, section 14-43, 14-49, 14-50a, 14-58,
1921 subsection (b) of section 14-66, section 14-66a, 14-66b, 14-67a,
1922 subsection (f) of section 14-80h, section 14-97a, section 14-100b, 14-
1923 103a, 14-106a, 14-106c, 14-146, 14-152, 14-153, 14-163b, a first violation
1924 as specified in subsection (f) of section 14-164i, section 14-219 specified
1925 in subsection (e) of said section, subsection (b) of section 14-227a,
1926 section 14-240, 14-249, 14-250, subsection (a), (b) or (c) of section 14-
1927 261a, section 14-262, 14-264, 14-267a, 14-269, 14-270, 14-275a, 14-278,
1928 14-279, subsection (e) of section 14-283, section 14-291, 14-293b, 14-319,
1929 14-320, 14-321, 14-325a, 14-326, 14-330, 14-332a, subdivision (1), (2) or
1930 (3) of section 14-386a, section 15-33, subsection (a) of section 15-115,
1931 section 16-256, 16-256e, 16a-15, 16a-22, subsection (a) or (b) of section
1932 16a-22h, section 17a-24, 17a-145, 17a-149, 17a-152, 17a-465, 17a-642,
1933 17b-124, 17b-131, 17b-137, 17b-407, 17b-451, 17b-734, subsection (b) of
1934 section 17b-736, 19a-30, 19a-33, 19a-39, 19a-87, subsection (b) of section
1935 19a-87a, section 19a-91, 19a-105, 19a-107, 19a-108, 19a-215, 19a-219,

1936 19a-222, 19a-224, 19a-286, 19a-287, 19a-297, 19a-301, 19a-309, 19a-335,
1937 19a-336, 19a-338, 19a-339, 19a-340, 19a-425, 19a-502, 20-7a, 20-14, 20-
1938 158, 20-231, 20-257, 20-265, 20-324e, subsection (a) of section 20-341,
1939 section 20-341l, 20-597, 20-608, 20-610, 21-30, 21-38, 21-39, 21-43, 21-47,
1940 21-48, 21-63, 21-76a, 21a-21, 21a-25, 21a-26, 21a-30, 21a-31, subsection
1941 (a) of section 21a-37, section 21a-46, 21a-61, 21a-63, 21a-77, subsection
1942 (b) of section 21a-79, section 21a-85, 21a-154, 21a-159, 21a-201, 21a-211,
1943 22-13, 22-14, 22-15, 22-16, 22-29, 22-34, 22-35, 22-36, 22-37, 22-38, 22-39,
1944 22-39a, 22-39b, 22-39c, 22-39d, 22-39e, 22-49, 22-54, 22-61, 22-89, 22-90,
1945 22-98, 22-99, 22-100, 22-111o, 22-123, 22-279, 22-280a, 22-318a, 22-320h,
1946 22-324a, 22-326, 22-342, subsection (b) or (e) of section 22-344, section
1947 22-359, 22-366, 22-391, 22-413, 22-414, 22-415, 22a-66a, 22a-246,
1948 subsection (a) of section 22a-250, subsection (e) of section 22a-256h,
1949 section 22a-449, 22a-461, 23-37, 23-38, 23-46, 23-61b, subsection (a) or
1950 (b) of section 23-65, section 25-37, 25-40, 26-19, 26-21, 26-31, 26-40, 26-
1951 40a, 26-49, 26-54, 26-59, 26-61, 26-64, 26-79, 26-89, 26-97, 26-107, 26-117,
1952 26-128, 26-131, 26-132, 26-138, 26-141, 26-207, 26-215, 26-221, 26-222, 26-
1953 224a, 26-227, 26-230, 26-234, 26-267, 26-269, 26-294, 28-13, 29-6a, 29-109,
1954 29-161a, 29-161b, 29-198, 29-210, 29-243, 29-277, 29-316, 29-318, 29-341,
1955 29-381, 30-48a, 30-86a, 31-3, 31-10, 31-11, 31-12, 31-13, 31-14, 31-15, 31-
1956 16, 31-18, 31-23, 31-24, 31-25, 31-28, 31-32, 31-36, 31-38, 31-38a, 31-40,
1957 31-44, 31-47, 31-48, 31-51, 31-51k, 31-52, 31-52a, 31-54, subsection (a) or
1958 (c) of section 31-69, section 31-70, 31-74, 31-75, 31-76, 31-76a, 31-89b, 31-
1959 134, subsection (g) of section 31-273, section 31-288, 36a-787, 42-230, 44-
1960 3, 45a-450, 45a-634, 45a-658, subdivision (13) or (14) of section 46a-54,
1961 section 46a-59, 46b-22, 46b-24, 46b-34, 47-34a, 47-47, 49-8a, 49-16, 53-
1962 133, subsection (a) or (b) of section 53-211, section 53-212a, 53-249a, 53-
1963 252, 53-264, 53-301, 53-302a, 53-303e, 53-311a, 53-321, 53-322, 53-323, 53-
1964 331, 53-344 or 53-450, or (2) a violation under the provisions of chapter
1965 268, or (3) a violation of any regulation adopted in accordance with the
1966 provisions of section 12-484, 12-487 or 13b-410, shall follow the
1967 procedures set forth in this section.

1968 Sec. 37. Subsections (f) and (g) of section 12-157 of the general
1969 statutes are repealed and the following is substituted in lieu thereof
1970 (*Effective October 1, 2002*):

1971 (f) Within sixty days after such sale, the collector shall cause to be
1972 published in a newspaper having a daily general circulation in the
1973 town in which the real property is located, and shall send by certified
1974 mail, return receipt requested, to the delinquent taxpayer and each
1975 mortgagee, lienholder and other record encumbrancer whose interest
1976 in such property is affected by such sale, a notice stating the date of the
1977 sale, the name and address of the purchaser, the amount the purchaser
1978 paid for the property and the date the redemption period will expire.
1979 The notice shall include a statement that if redemption does not take
1980 place by the date stated and in the manner provided by law, the
1981 delinquent taxpayer, and all mortgagees, lienholders and other record
1982 encumbrancers who have received actual or constructive notice of such
1983 sale as provided by law, that their respective titles, mortgages, liens
1984 and other encumbrances in such property shall be extinguished. Not
1985 later than six months after the date of the sale or within sixty days if
1986 the property was abandoned or meets other conditions established by
1987 ordinance adopted by the legislative body of the town, if the
1988 delinquent taxpayer, mortgagee, lienholder or other record
1989 encumbrancer whose interest in the property will be affected by such
1990 sale, pays or tenders to the collector, the amount of taxes, interest and
1991 charges which were due and owing at the time of the sale together
1992 with interest on the total purchase price paid by the purchaser at the
1993 rate of eighteen per cent per annum from the date of such sale, such
1994 deed, executed pursuant to subsection (e) of this section, shall be
1995 delivered to the collector by the town clerk for cancellation and the
1996 collector shall provide a certificate of satisfaction to the person paying
1997 or tendering the money who, if not the person whose primary duty it
1998 was to pay the tax or taxes, shall have a claim against the person
1999 whose primary duty it was to pay such tax or taxes for the amount so
2000 paid, and may add the same to any claim for which he has security
2001 upon the property sold, provided the certificate of satisfaction is
2002 recorded on the land records but the interests of other persons in the
2003 property shall not be affected. Within ten days of receipt of such
2004 amounts in redemption of the levied property, the collector shall notify
2005 the purchaser by certified mail, return receipt requested, that the

2006 property has been redeemed and shall tender such payment, together
2007 with the amount held pursuant to subparagraph (A) of subdivision (1)
2008 of subsection (i) of this section, if any, to the purchaser. If the purchase
2009 money and interest are not paid within such [year] six-month period,
2010 the deed shall be recorded and have full effect.

2011 (g) During the redemption period, the purchaser or the municipality
2012 shall have a sufficient insurable interest in buildings and
2013 improvements upon such property to insure them against fire and
2014 other risk of physical loss, and may petition the Superior Court for the
2015 appointment of a receiver or for other equitable relief if there shall be
2016 imminent danger of damage or destruction thereto or imminent
2017 danger of injury to persons or to other property resulting from
2018 conditions thereon or on adjoining properties. The purchaser or the
2019 municipality shall not be liable to any person, or subjected to forfeiture
2020 of their interest, solely by reason of acquisition by the person of the tax
2021 deed, for any condition existing or occurrence upon such property or
2022 adjoining public sidewalks and streets, or for any failure to act to
2023 remedy or investigate any such condition or occurrence during such
2024 [one-year] six-month period. The expenses of any receiver appointed
2025 on the application of such purchaser or municipality in excess of any
2026 rents or profits paid to the receiver shall be added to the amount of the
2027 purchase money and interest required to be paid or tendered by any
2028 person to the purchaser or municipality for the collector's deed and
2029 paid to the party that incurred such expenses.

2030 Sec. 38. Subdivision (1) of subsection (d) of section 12-733 of the
2031 general statutes is repealed and the following is substituted in lieu
2032 thereof (*Effective October 1, 2002*):

2033 (d) (1) If a taxpayer fails to comply with the requirements of section
2034 12-727 by not reporting a change or correction by the United States
2035 Internal Revenue Service or other competent authority increasing, in
2036 the case of an individual, the individual's federal adjusted gross
2037 income or, in the case of a trust or estate, its federal taxable income, or
2038 by not reporting a change or correction which is treated in the same

2039 manner as if it were a deficiency for federal income tax purposes, or by
2040 not filing an amended return, a notice of a proposed deficiency
2041 assessment may be mailed to the taxpayer at any time. The provisions
2042 of [the preceding sentence] this subdivision shall also apply if an
2043 individual's computation of tax under Section 1341(a)(4) or (5) of the
2044 Internal Revenue Code is changed or corrected by the United States
2045 Internal Revenue Service or other competent authority, and the
2046 individual fails to comply with the requirements of section 12-727.

2047 Sec. 39. Subdivision (1) of subsection (e) of section 12-733 of the
2048 general statutes is repealed and the following is substituted in lieu
2049 thereof (*Effective October 1, 2002*):

2050 (e) (1) If the taxpayer, pursuant to section 12-727, reports a change
2051 or correction by the United States Internal Revenue Service or other
2052 competent authority increasing, in the case of an individual, the
2053 individual's federal adjusted gross income or, in the case of a trust or
2054 estate, its federal taxable income or reports a change or correction
2055 which is treated in the same manner as if it were a deficiency for
2056 federal income tax purposes, or files an amended return, the
2057 assessment, if not deemed to have been made upon the filing of the
2058 report or amended return, may be made at any time not later than
2059 three years after such report or amended return is filed. The provisions
2060 of [the preceding sentence] this subdivision shall also apply if an
2061 individual's computation of tax under Section 1341(a)(4) or (5) of the
2062 Internal Revenue Code is changed or corrected by the United States
2063 Internal Revenue Service or other competent authority, and the
2064 individual, pursuant to section 12-727, reports the change or
2065 correction.

2066 Sec. 40. Section 12-62g of the general statutes is repealed and the
2067 following is substituted in lieu thereof (*Effective October 1, 2002*):

2068 In conjunction with each municipal revaluation of property in
2069 accordance with section 12-62, each municipality shall increase (1) the
2070 amount of the exemption granted pursuant to subdivisions (19), (20),
2071 (21), (22), (23), (24), (25) and (26) of section 12-81, and (2) the amount of

2072 the exemption that each municipality may allow pursuant to section
2073 12-81f, for such year and for each subsequent assessment year by
2074 multiplying the amount of exemption in each of said [subsection]
2075 subdivisions by a multiplier determined by dividing the net taxable
2076 grand list for such year of revaluation by the net taxable grand list of
2077 the last year prior to such revaluation.

2078 Sec. 41. Subsection (b) of section 3-13b of the general statutes is
2079 repealed and the following is substituted in lieu thereof (*Effective*
2080 *October 1, 2002*):

2081 (b) The Governor shall designate one of the members to be
2082 chairperson of the council to serve as such at the Governor's pleasure.
2083 The Treasurer shall serve as secretary of said council. A majority of the
2084 members of the council then in office [will] shall constitute a quorum
2085 for the transaction of any business, and action shall be by the vote of a
2086 majority of the members present at a meeting. Votes by members on
2087 investment policies shall be recorded in the minutes of each meeting.
2088 Members of said council shall not be compensated for their services
2089 but shall be reimbursed for all necessary expenses incurred in the
2090 performance of their duties as members of said council. The council
2091 shall meet at least once during each calendar quarter and at such other
2092 times as the chairperson deems necessary or upon the request of a
2093 majority of the members in office. Special meetings shall be held at the
2094 request of such majority after notice in accordance with the provisions
2095 of section 1-225. Any member who fails to attend three consecutive
2096 meetings or who fails to attend fifty per cent of all meetings held
2097 during any calendar year shall be deemed to have resigned from office.

2098 Sec. 42. Subdivision (2) of subsection (b) of section 3-13l of the
2099 general statutes is repealed and the following is substituted in lieu
2100 thereof (*Effective October 1, 2002*):

2101 (2) "Finder's fee" does not mean [compensation] (A) (i)
2102 compensation earned for the rendering of investment services, as
2103 defined in subsection (f) of section 9-333n, or for acting as a licensed
2104 real estate broker or real estate sales person under the provisions of

2105 section 20-312, or under a comparable statute of the jurisdiction in
2106 which the subject property is located, or (ii) marketing fees or due
2107 diligence fees earned by the payee in connection with the offer, sale or
2108 purchase of any security or investment interest, in accordance with
2109 criteria prescribed under subparagraph (ii) of subparagraph (C) of
2110 subdivision (3) of this subsection, [and] (B) compensation paid to (i)
2111 persons who are investment professionals engaged in the ongoing
2112 business of representing investment services providers, or (ii) paid to
2113 third parties for services connected to the issuance of debt by the state,
2114 any political subdivision of the state or any quasi-public agency, as
2115 defined in section 1-120, as amended, and [as] (C) any compensation
2116 which is so defined by the regulations adopted under subparagraph
2117 (C)(ii) of subdivision (3) of this subsection, or any compensation which
2118 meets criteria prescribed by the Treasurer until such regulations are
2119 adopted. As used in this section, "offer" and "sale" have the meaning
2120 provided in section 36b-3.

2121 Sec. 43. Section 12-59 of the general statutes is repealed and the
2122 following is substituted in lieu thereof (*Effective October 1, 2002*):

2123 The whole property in this state of each corporation organized
2124 under the law of this state, whose stock is not liable to taxation, and
2125 which is not required to pay a direct tax to this state in lieu of other
2126 taxes, and whose property is not expressly exempt from taxation, and
2127 the whole property in this state of each corporation organized under
2128 the law of any other state or country, including each foreign municipal
2129 electric utility, shall be set in the grand list and shall be liable to
2130 taxation in the same manner as the property of individuals. The
2131 stockholders of any corporation, the whole property of which is
2132 assessed and taxed in its name, shall be exempt from assessment or
2133 taxation for their stock therein. As used in this section, "foreign
2134 municipal electric utility" [,] means a town, city, borough or any
2135 municipal corporation, department or agency thereof, of a state other
2136 than this state, whether or not separately incorporated, which is
2137 authorized under the laws of the state in which it is organized or
2138 resident to generate and transmit electric energy and which holds

2139 property in this state.

2140 Sec. 44. Subdivision (3) of subsection (k) of section 12-218 of the
2141 general statutes is repealed and the following is substituted in lieu
2142 thereof (*Effective October 1, 2002*):

2143 (3) Any taxpayer which is described in subdivision (1) of this
2144 subsection and seventy-five per cent or more of whose total gross
2145 receipts, as described in subdivision (3) of subsection (c) of this section,
2146 during the income year are from the sale of tangible personal property
2147 directly, or in the case of a subcontractor, indirectly, to the United
2148 States government may elect, on or before the due date or, if
2149 applicable, the extended due date, of its corporation business tax
2150 return for the income year, to apportion its net income within and
2151 without the state by means of the apportionment fraction described in
2152 subsection (c) of this section. The election, if made by the taxpayer,
2153 shall be irrevocable for, and applicable for, five successive income
2154 years.

2155 Sec. 45. Subparagraph (B)(iii) of subdivision (3) of subsection (l) of
2156 section 12-218 of the general statutes is repealed and the following is
2157 substituted in lieu thereof (*Effective October 1, 2002*):

2158 (iii) Gross receipts including, without limitation, advertising
2159 revenue, affiliate fees and subscriber fees, received by a cable network
2160 or a cable television system from video or audio programming in
2161 release to or by such cable network or cable television system for
2162 telecast and other receipts that are derived from the activities referred
2163 to in subdivision (1) of this subsection [(l) of this section] shall be
2164 attributed to this state in the same ratio that the number of subscribers
2165 for such cable network or cable television system located in this state
2166 bears to the total of such subscribers of such cable network or cable
2167 television system inside and outside of the United States. For purpose
2168 of this subparagraph, the number of subscribers of a cable network
2169 shall be measured by reference to the number of subscribers of cable
2170 television systems that are affiliated with such network and that
2171 receive video or audio programming of such network. For purposes of

2172 this subparagraph, the number of subscribers of a cable television
2173 system shall be determined either by reference to the books and
2174 records of the taxpayer or by reference to the applicable year's
2175 published rating statistics located in published surveys, provided the
2176 method used by the taxpayer is consistently used from year to year for
2177 such purpose and fairly represents the taxpayer's activities in the state.

2178 Sec. 46. Subdivision (1) of subsection (a) of section 12-226 of the
2179 general statutes is repealed and the following is substituted in lieu
2180 thereof (*Effective October 1, 2002*):

2181 (a) (1) Any company whose income, profits or earnings are changed,
2182 adjusted or corrected for any income year by any official of the United
2183 States government, or any agency thereof, in any respect affecting the
2184 tax imposed by this part, shall provide notice of such change,
2185 adjustment or correction to the commissioner by filing, on or before the
2186 date that is ninety days after the final determination of such change,
2187 adjustment or correction, or as otherwise required by the
2188 commissioner, an amended return under this chapter, and shall
2189 concede the accuracy of such determination or state wherein it is
2190 erroneous, and thereafter promptly furnish to the commissioner any
2191 information, schedules, records, documents or papers relating to such
2192 change, adjustment or correction as the commissioner requires. The
2193 time for filing such return may be extended by the commissioner upon
2194 due cause shown. If, upon examination, the commissioner finds that
2195 the company is liable for the payment of an additional tax, the
2196 commissioner shall, within a reasonable time from the receipt of such
2197 return, notify the company of the amount of such additional tax,
2198 together with interest thereon computed at the rate of one per cent per
2199 month or fraction thereof from the date when the original tax became
2200 due and payable. Within thirty days of the mailing of such notice, the
2201 company shall pay to the commissioner, in cash or by check, draft or
2202 money order, drawn to the order of the Commissioner of Revenue
2203 Services, the amount of such additional tax and interest. If, upon
2204 examination of such return and related information, the commissioner
2205 finds that the company has overpaid the tax due the state and has not

2206 received from or been allowed by the United States government, or
2207 any agency thereof, a credit or a benefit as a deduction or otherwise,
2208 for or by reason of such overpayment, the State Treasurer shall pay the
2209 company, upon order of the State Comptroller, the amount of such
2210 overpayment. If the commissioner determines that the company's
2211 claim of overpayment is not valid, either in whole or in part, the
2212 commissioner shall mail notice to the company of the proposed
2213 disallowance [in whole or in part] of the claim [to the company] in
2214 whole or in part, which notice shall set forth briefly the commissioner's
2215 findings of fact and the basis of disallowance in each case decided in
2216 whole or in part adversely to the claimant. Sixty days after the date on
2217 which it is mailed, a notice of proposed disallowance shall constitute a
2218 final disallowance except only for such amounts as to which the
2219 company has filed [, as provided in subdivision (2) of this subsection,]
2220 a written protest with the commissioner, as provided in subdivision (2)
2221 of this subsection.

2222 Sec. 47. Subparagraph (B)(iv) of subdivision (40) of section 12-412 of
2223 the general statutes is repealed and the following is substituted in lieu
2224 thereof (*Effective October 1, 2002*):

2225 (iv) Any purchaser liable for tax under [subparagraph] clause (ii) or
2226 (iii) of this [subsection] subparagraph shall not be eligible to make
2227 another purchase under [subparagraph] clause (i) of this
2228 subparagraph.

2229 Sec. 48. Subparagraph (E)(iv) of subdivision (63) of section 12-412 of
2230 the general statutes is repealed and the following is substituted in lieu
2231 thereof (*Effective October 1, 2002*):

2232 (iv) Any applicant liable for tax under [subparagraph] clause (ii) or
2233 (iii) of this [paragraph] subparagraph shall not be eligible to be issued
2234 another permit under [subparagraph] clause (i) of this [subdivision]
2235 subparagraph.

2236 Sec. 49. Section 12-632a of the general statutes is repealed and the
2237 following is substituted in lieu thereof (*Effective October 1, 2002*):

2238 If, for any fiscal year, all of the proposals submitted to the
2239 Commissioner of Revenue Services pursuant to section 12-632, as
2240 amended, claim tax credits in excess of the limit provided for in
2241 subsection [(h)] (i) of said section 12-632, the commissioner on or
2242 before November fifteenth of each year shall prorate the tax credits, as
2243 limited by said subsection (i), for such year among the neighborhood
2244 organizations the programs of which business firms have proposed to
2245 contribute to pursuant to this chapter.

2246 Sec. 50. Subdivision (14) of subsection (a) of section 32-655 of the
2247 general statutes is repealed and the following is substituted in lieu
2248 thereof (*Effective October 1, 2002*):

2249 (14) Pay or reimburse the Office of Policy and Management, the
2250 authority, the university and other affected state agencies and political
2251 subdivisions of the state and any third parties incurring such costs at
2252 the request or with the approval of the state as certified by the
2253 secretary, for project costs of the overall project including, without
2254 limitation, preliminary costs arising prior to July 1, 1999, or costs under
2255 subsection (e) of section 32-605 or sections 32-654, 32-654a, 32-655a, 32-
2256 655b and 32-666a.

2257 Sec. 51. Subparagraph (A) of subdivision (1) of section 32-655a of the
2258 general statutes is repealed and the following is substituted in lieu
2259 thereof (*Effective October 1, 2002*):

2260 (1) (A) The secretary shall designate a project comptroller from the
2261 secretary's senior staff. The project comptroller shall review, certify
2262 and authorize any amount due for payment by the Treasurer on
2263 warrants issued by the State Comptroller and otherwise oversee the
2264 expenditure of all state funds made available for purposes of the
2265 overall project pursuant to public act 00-140*, and shall be responsible
2266 for monitoring the project budget, including cost estimates for site
2267 preparation, infrastructure, improvements and project construction,
2268 the review of all invoices for project costs for conformance to contracts
2269 and budgets, and the receipt and review of all reports from the
2270 independent auditing firm selected by the secretary and the State

2271 Building Inspector, the State Fire Marshal, the architects and
2272 environmental consultants as provided for in this section. The project
2273 comptroller shall be responsible for obtaining all necessary
2274 information and shall monitor all aspects of the planning and
2275 implementation of the overall project, including on-site inspections.
2276 The project comptroller shall prepare and submit to the secretary, the
2277 authority and the Auditors of Public Accounts as of the end of each
2278 quarter during the period of project development a summary of the
2279 reports received by the project comptroller during such quarter and a
2280 summary, by major category, of all expenditures of state funds for
2281 project costs during such quarter, noting any significant variances
2282 against budget.

2283 Sec. 52. Section 13a-25 of the general statutes is repealed and the
2284 following is substituted in lieu thereof (*Effective October 1, 2002*):

2285 Whenever the Chief Justice of the Supreme Court finds that the
2286 number of state referees available for the performance of the duties of
2287 state referees under subsection (c) of section 13a-73, as amended,
2288 sections 13a-74, as amended, and 13a-76, as amended, subsection (d) of
2289 section 32-658 and sections 32-659 and 32-660 [and] is not sufficient to
2290 consider and act upon the acquisition of land and buildings for a
2291 stadium facility and related parking facilities, as defined in section 32-
2292 651, with reasonable promptness, said Chief Justice, upon the
2293 application of the commissioner or the secretary, as the case may be,
2294 may appoint such number of additional state referees as necessary to
2295 expedite the performance of such duties. Such appointments may be
2296 made from time to time and for such period of time, not more than two
2297 months in length, as designated by the Chief Justice. Such additional
2298 state referees shall have the same powers and duties as state referees
2299 appointed under section 52-434, as amended, with respect to the
2300 granting of the approvals and the performance of other duties of state
2301 referees in the acquisition of land and buildings for such expressway,
2302 highway, stadium facility and related parking facilities and shall
2303 receive such reasonable compensation as is determined by the Chief
2304 Justice, and such compensation and expenses incurred in the conduct

2305 of any hearings by such state referees shall be paid as a part of the cost
 2306 thereof.

2307 Sec. 53. Subparagraph (A) of subdivision (3) of subsection (b) of
 2308 section 12-63 of the general statutes is repealed and the following is
 2309 substituted in lieu thereof (*Effective October 1, 2002*):

2310 (A) Group I: Computer and peripheral hardware, including, but not
 2311 limited to, personal computers, workstations, terminals, storage
 2312 devices, printers, scanners, computer peripherals and networking
 2313 equipment:

T1		Depreciated Value
T2	Assessment Year	As Percentage
T3	Following Acquisition	Of Acquisition Cost Basis
T4	First year	Seventy per cent
T5	Second year	Forty per cent
T6	Third year	Twenty per cent
T7	Fourth year <u>and thereafter</u>	Ten per cent

This act shall take effect as follows:	
Section 1	<i>January 1, 2003</i>
Sec. 2	<i>October 1, 2002</i>
Sec. 3	<i>October 1, 2002</i>
Sec. 4	<i>October 1, 2002</i>
Sec. 5	<i>October 1, 2002</i>
Sec. 6	<i>October 1, 2002</i>
Sec. 7	<i>October 1, 2002</i>
Sec. 8	<i>October 1, 2002</i>
Sec. 9	<i>October 1, 2002</i>
Sec. 10	<i>October 1, 2002</i>
Sec. 11	<i>October 1, 2002</i>
Sec. 12	<i>October 1, 2002</i>
Sec. 13	<i>October 1, 2002</i>
Sec. 14	<i>October 1, 2002</i>

Sec. 15	<i>October 1, 2002</i>
Sec. 16	<i>October 1, 2002</i>
Sec. 17	<i>October 1, 2002</i>
Sec. 18	<i>October 1, 2002</i>
Sec. 19	<i>October 1, 2002</i>
Sec. 20	<i>October 1, 2002</i>
Sec. 21	<i>October 1, 2002</i>
Sec. 22	<i>October 1, 2002</i>
Sec. 23	<i>October 1, 2002</i>
Sec. 24	<i>October 1, 2002</i>
Sec. 25	<i>October 1, 2002</i>
Sec. 26	<i>October 1, 2002</i>
Sec. 27	<i>October 1, 2002</i>
Sec. 28	<i>October 1, 2002</i>
Sec. 29	<i>October 1, 2002</i>
Sec. 30	<i>October 1, 2002</i>
Sec. 31	<i>October 1, 2002</i>
Sec. 32	<i>October 1, 2002</i>
Sec. 33	<i>October 1, 2002</i>
Sec. 34	<i>October 1, 2002</i>
Sec. 35	<i>October 1, 2002</i>
Sec. 36	<i>October 1, 2002</i>
Sec. 37	<i>October 1, 2002</i>
Sec. 38	<i>October 1, 2002</i>
Sec. 39	<i>October 1, 2002</i>
Sec. 40	<i>October 1, 2002</i>
Sec. 41	<i>October 1, 2002</i>
Sec. 42	<i>October 1, 2002</i>
Sec. 43	<i>October 1, 2002</i>
Sec. 44	<i>October 1, 2002</i>
Sec. 45	<i>October 1, 2002</i>
Sec. 46	<i>October 1, 2002</i>
Sec. 47	<i>October 1, 2002</i>
Sec. 48	<i>October 1, 2002</i>
Sec. 49	<i>October 1, 2002</i>
Sec. 50	<i>October 1, 2002</i>
Sec. 51	<i>October 1, 2002</i>
Sec. 52	<i>October 1, 2002</i>
Sec. 53	<i>October 1, 2002</i>

FIN *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill makes only technical corrections to various statutes and therefore has no fiscal impact.

OLR Bill Analysis

sHB 5735

***AN ACT IMPLEMENTING RECOMMENDATIONS OF THE
LEGISLATIVE COMMISSIONERS FOR TECHNICAL REVISIONS TO
VARIOUS TAX STATUTES***

SUMMARY:

This bill makes technical changes in various tax laws that correct statutory references, remove or update obsolete language, and renumber and reorganize sections.

EFFECTIVE DATE: October 1, 2002, except for the section that reorganizes, renumbers, and eliminates obsolete language in sales and use tax definitions, which is effective January 1, 2003.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 42 Nay 0