



General Assembly

February Session, 2004

Amendment

LCO No. 5105

SB0059205105SRO

Offered by:

SEN. DELUCA, 32nd Dist.
SEN. ANISKOVICH, 12th Dist.
SEN. KISSEL, 7th Dist.
SEN. HERLIHY, 8th Dist.
SEN. SMITH, 14th Dist.
SEN. COOK, 18th Dist.
SEN. GUNTHER, 21st Dist.
SEN. CAPPIELLO, 24th Dist.

SEN. GENUARIO, 25th Dist.
SEN. FREEDMAN, 26th Dist.
SEN. MCKINNEY, 28th Dist.
SEN. RORABACK, 30th Dist.
SEN. FASANO, 34th Dist.
SEN. GUGLIELMO, 35th Dist.
SEN. NICKERSON, 36th Dist.

To: Subst. Senate Bill No. 592

File No. 555

Cal. No. 410

"AN ACT CONCERNING THE INCOME TAX AND THE ESTATE TAX."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subdivision (37) of subsection (a) of section 12-407 of the
4 general statutes, as amended by section 27 of public act 03-2, is
5 repealed and the following is substituted in lieu thereof (*Effective July*
6 *1, 2005*):

7 (37) "Services" for purposes of subdivision (2) of this subsection,
8 means:

9 (A) Computer and data processing services, including, but not
10 limited to, time, programming, code writing, modification of existing
11 programs, feasibility studies and installation and implementation of
12 software programs and systems even where such services are rendered
13 in connection with the development, creation or production of canned
14 or custom software or the license of custom software, and exclusive of
15 services rendered in connection with the creation, development
16 hosting or maintenance of all or part of a web site which is part of the
17 graphical, hypertext portion of the Internet, commonly referred to as
18 the World Wide Web;

19 (B) Credit information and reporting services;

20 (C) Services by employment agencies and agencies providing
21 personnel services;

22 (D) Private investigation, protection, patrol work, watchman and
23 armored car services, exclusive of services of off-duty police officers
24 and off-duty firefighters;

25 (E) Painting and lettering services;

26 (F) Photographic studio services;

27 (G) Telephone answering services;

28 (H) Stenographic services;

29 (I) Services to industrial, commercial or income-producing real
30 property, including, but not limited to, such services as management,
31 electrical, plumbing, painting and carpentry and excluding any such
32 services rendered in the voluntary evaluation, prevention, treatment,
33 containment or removal of hazardous waste, as defined in section
34 22a-115, or other contaminants of air, water or soil, provided
35 income-producing property shall not include property used
36 exclusively for residential purposes in which the owner resides and
37 which contains no more than three dwelling units, or a housing facility
38 for low and moderate income families and persons owned or operated

39 by a nonprofit housing organization, as defined in subdivision (29) of
40 section 12-412, as amended;

41 (J) Business analysis, management, management consulting and
42 public relations services, excluding (i) any environmental consulting
43 services, (ii) any training services provided by an institution of higher
44 education licensed or accredited by the Board of Governors of Higher
45 Education pursuant to section 10a-34, and (iii) on and after January 1,
46 1994, any business analysis, management, management consulting and
47 public relations services when such services are rendered in connection
48 with an aircraft leased or owned by a certificated air carrier or in
49 connection with an aircraft which has a maximum certificated take-off
50 weight of six thousand pounds or more;

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

53 (L) Flight instruction and chartering services by a certificated air
54 carrier on an aircraft, the use of which for such purposes, but for the
55 provisions of subdivision (4) of section 12-410, as amended, and
56 subdivision (12) of section 12-411, as amended, would be deemed a
57 retail sale and a taxable storage or use, respectively, of such aircraft by
58 such carrier;

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

62 (N) Motor vehicle parking, including the provision of space, other
63 than metered space, in a lot having thirty or more spaces, excluding (i)
64 space in a seasonal parking lot provided by a person who is exempt
65 from taxation under this chapter pursuant to subdivision (1), (5) or (8)
66 of section 12-412, as amended, (ii) space in a parking lot owned or
67 leased under the terms of a lease of not less than ten years' duration
68 and operated by an employer for the exclusive use of its employees,
69 (iii) valet parking provided at any airport, and (iv) space in
70 municipally-operated railroad parking facilities in municipalities

71 located within an area of the state designated as a severe
72 nonattainment area for ozone under the federal Clean Air Act or space
73 in a railroad parking facility in a municipality located within an area of
74 the state designated as a severe nonattainment area for ozone under
75 the federal Clean Air Act owned or operated by the state on or after
76 April 1, 2000;

77 (O) Radio or television repair services;

78 (P) Furniture reupholstering and repair services;

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

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

85 (S) Services of the agent of any person in relation to the sale of any
86 item of tangible personal property for such person, exclusive of the
87 services of a consignee selling works of art, as defined in subsection (b)
88 of section 12-376c, or articles of clothing or footwear intended to be
89 worn on or about the human body other than (i) any special clothing
90 or footwear primarily designed for athletic activity or protective use
91 and which is not normally worn except when used for the athletic
92 activity or protective use for which it was designed, and (ii) jewelry,
93 handbags, luggage, umbrellas, wallets, watches and similar items
94 carried on or about the human body but not worn on the body in the
95 manner characteristic of clothing intended for exemption under
96 subdivision (47) of section 12-412, as amended, under consignment,
97 exclusive of services provided by an auctioneer;

98 (T) Locksmith services;

99 (U) Advertising or public relations services, including layout, art
100 direction, graphic design, mechanical preparation or production

101 supervision, not related to the development of media advertising or
102 cooperative direct mail advertising;

103 (V) Landscaping and horticulture services;

104 (W) Window cleaning services;

105 (X) Maintenance services;

106 (Y) Janitorial services;

107 (Z) Exterminating services;

108 (AA) Swimming pool cleaning and maintenance services;

109 (BB) Miscellaneous personal services included in industry group 729
110 in the Standard Industrial Classification Manual, United States Office
111 of Management and Budget, 1987 edition, or U.S. industry 532220,
112 812191, 812199 or 812990 in the North American Industrial
113 Classification System United States Manual, United States Office of
114 Management and Budget, 1997 edition, exclusive of (i) services
115 rendered by massage therapists licensed pursuant to chapter 384a, and
116 (ii) services rendered by an electrologist licensed pursuant to chapter
117 388;

118 (CC) Any repair or maintenance service to any item of tangible
119 personal property including any contract of warranty or service related
120 to any such item;

121 (DD) Business analysis, management or managing consulting
122 services rendered by a general partner, or an affiliate thereof, to a
123 limited partnership, provided (i) the general partner, or an affiliate
124 thereof, is compensated for the rendition of such services other than
125 through a distributive share of partnership profits or an annual
126 percentage of partnership capital or assets established in the limited
127 partnership's offering statement, and (ii) the general partner, or an
128 affiliate thereof, offers such services to others, including any other
129 partnership. As used in this subparagraph "an affiliate of a general

130 partner" means an entity which is directly or indirectly owned fifty per
131 cent or more in common with a general partner;

132 (EE) Notwithstanding the provisions of section 12-412, as amended,
133 except subdivision (87) of said section 12-412, as amended, patient care
134 services, as defined in subdivision (29) of this subsection by a hospital,
135 except that "sale" and "selling" does not include such patient care
136 services for which payment is received by the hospital during the
137 period commencing July 1, 2001, and ending June 30, 2003. [;]

138 [(FF) Health and athletic club services, exclusive of (i) any such
139 services provided without any additional charge which are included in
140 any dues or initiation fees paid to any such club, which dues or fees
141 are subject to tax under section 12-543, and (ii) any such services
142 provided by a municipality or an organization that is described in
143 Section 501(c) of the Internal Revenue Code of 1986, or any subsequent
144 corresponding internal revenue code of the United States, as from time
145 to time amended.]"