



# House of Representatives

General Assembly

**File No. 289**

*January Session, 2007*

House Bill No. 6805

*House of Representatives, April 3, 2007*

The Committee on General Law reported through REP. STONE of the 9th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT ELIMINATING THE SALES TAX REGISTRATION FEE FOR FLEA MARKET AND ART AND CRAFT SHOW VENDORS.***

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

1 Section 1. Section 12-409 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective January 1, 2008*):

3 [(1)] (a) No person shall engage in or transact business as a seller  
4 within this state, unless a permit or permits have been issued to him as  
5 hereinafter prescribed.

6 [(2)] (b) Every person desiring to engage in or conduct business as a  
7 seller within this state shall file with the commissioner an application  
8 for a permit for each place of business. Every application for a permit  
9 shall be made upon a form prescribed by the commissioner and shall  
10 set forth the name under which the applicant transacts or intends to  
11 transact business, the location of his place or places of business and  
12 such other information as the commissioner requires. The application  
13 shall be signed by the owner if a natural person; in the case of an

14 association or partnership, by a member or partner; in the case of a  
15 corporation, by an executive officer or some person specifically  
16 authorized by the corporation to sign the application.

17 [(3)] (c) At the time of making an application the applicant shall pay  
18 to the Commissioner of Revenue Services a permit fee of fifty dollars  
19 for each permit. Any permit issued on or after July 1, 1985, but prior to  
20 October 1, 2003, shall expire biennially on the anniversary date of the  
21 issuance of such permit unless renewed in accordance with such  
22 procedure and application form as prescribed by the commissioner.  
23 Any permit issued on or after October 1, 2003, shall expire on the fifth  
24 anniversary date of the issuance of such permit unless renewed in  
25 accordance with such procedure and application form as prescribed by  
26 the commissioner. Persons engaging in or transacting business as a  
27 seller within this state exclusively at flea markets or art and craft  
28 shows shall not be required to pay a permit fee pursuant to this  
29 subsection.

30 [(4)] (d) After compliance with subsections [(1), (2) and (3)] (a), (b)  
31 and (c) of this section by the applicant, the commissioner shall grant  
32 and issue to such applicant a separate permit for each place of business  
33 within the state. A permit is not assignable and is valid only for the  
34 person in whose name it is issued and for the transaction of business at  
35 the place designated therein. It shall at all times be conspicuously  
36 displayed at the place for which issued.

37 [(5)] (e) A seller whose permit has been suspended or revoked shall  
38 pay to the Commissioner of Revenue Services a fee of fifty dollars for  
39 the reissuance of a permit.

40 [(6)] (f) Whenever any person fails to comply with any provision of  
41 this chapter relating to the sales tax or any regulation of the  
42 commissioner relating to the sales tax prescribed and adopted under  
43 this chapter or whenever any seller files returns for four successive  
44 monthly or quarterly periods, as the case may be, showing no sales, the  
45 commissioner, upon hearing, after giving such person ten days' notice  
46 in writing specifying the time and place of hearing and requiring him

47 to show cause why his permit or permits should not be revoked, may  
48 revoke or suspend any one or more of the permits held by the person.  
49 The notice may be served personally or by registered or certified mail.  
50 The commissioner shall not issue a new permit after the revocation of a  
51 permit unless he is satisfied that the former holder of the permit will  
52 comply with the provisions of this chapter relating to the sales tax and  
53 the regulations of the commissioner.

54 [(7)] (g) Any person who knowingly violates any provision of this  
55 section shall be fined not more than five hundred dollars or  
56 imprisoned not more than three months or both for each offense.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2008	12-409

**GL**      *Joint Favorable*

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 chamber thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Revenue Services	GF - Cost	Minimal	Minimal

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill exempts persons engaging in business exclusively at flea markets or art and craft shows from paying the sales and use tax registration fee of \$50 and is estimated to result in a minimal revenue loss of less than \$5,000 per year to the General Fund.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****HB 6805*****AN ACT ELIMINATING THE SALES TAX REGISTRATION FEE FOR FLEA MARKET AND ART AND CRAFT SHOW VENDORS.*****SUMMARY:**

The law requires retail sellers to charge consumers for the sales tax and to remit it to the state. Before selling, the law requires them to register with the revenue services department and pay a \$50 registration fee for a five-year permit. This bill exempts persons engaging in business exclusively at flea markets or art and craft shows from paying the registration fee; it does not exempt them from registering or from charging and remitting the sales tax.

EFFECTIVE DATE: January 1, 2008

**COMMITTEE ACTION**

General Law Committee

Joint Favorable

Yea 19    Nay 0    (03/14/2007)