



General Assembly

Substitute Bill No. 7133

January Session, 2007

* HB07133CE_FIN032007 *

AN ACT EXEMPTING CERTAIN HUBZONE BUSINESSES FROM THE SALES TAX.

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

1 Section 1. (NEW) (*Effective October 1, 2007, and applicable to sales*
2 *occurring on or after October 1, 2007*) The tax imposed by chapter 219 of
3 the general statutes, on the gross receipts of any retailer from the sale
4 of all tangible personal property sold at retail or from the rendering of
5 any services constituting a sale in accordance with subdivision (2) of
6 subsection (a) of section 12-407 of the general statutes, by a certified
7 small business located in an area that qualifies as an historically
8 underutilized business zone pursuant to the HUBZone Act of 1997, 15
9 USC 657a, shall be imposed as follows: (1) For existing certified
10 businesses, (A) there shall be no such tax imposed on such existing
11 certified businesses from October 1, 2007, to September 30, 2011; (B)
12 commencing October 1, 2011, the tax imposed on such existing
13 certified businesses shall be at the rate of two per cent of the gross
14 receipts of such sales; (C) commencing October 1, 2012, the tax
15 imposed on such existing certified businesses shall be at the rate of
16 four per cent of the gross receipts of such sales; and (D) commencing
17 October 1, 2013, the tax imposed on such existing certified businesses
18 shall be at the rate imposed by chapter 219 of the general statutes; and
19 (2) for businesses that become HUBZone certified businesses on or
20 after the effective date of this section, (A) there shall be no such tax

21 imposed on such businesses for the first four years of operation; (B) in
22 the fifth year of operation, the tax imposed on such businesses shall be
23 at the rate of two per cent of the gross receipts of such sales; (C) in the
24 sixth year of operation, the tax imposed on such businesses shall be at
25 the rate of four per cent of the gross receipts of such sales; and (D) in
26 the seventh year of operation, the tax imposed on such businesses shall
27 be at the rate imposed by chapter 219 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007, and applicable to sales occurring on or after October 1, 2007</i>	New section

CE

Joint Favorable Subst. C/R

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