



General Assembly

February Session, 2008

**Raised Bill No. 505**

LCO No. 2405

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Referred to Committee on Energy and Technology

Introduced by:  
(ET)

**AN ACT CONCERNING A SALES TAX EXEMPTION FOR ENERGY STAR APPLIANCES.**

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

1 Section 1. Section 70 of public act 07-242, as amended by section 129  
2 of public act 07-1 of the June 2007 special session, is repealed and the  
3 following is substituted in lieu thereof (*Effective July 1, 2008, for sales*  
4 *made on or after said date*):

5 Notwithstanding the provisions of the general statutes, [from the  
6 effective date of this section to] during the period beginning June 4,  
7 2007, until and including September 30, 2007, and during the period  
8 beginning July 1, 2008, until and including June 30, 2009, the  
9 provisions of chapter 219 of the general statutes shall not apply to sales  
10 of any household appliance that meets the federal Energy Star  
11 standard.

12 Sec. 2. Subdivision (1) of section 12-408 of the general statutes is  
13 repealed and the following is substituted in lieu thereof (*Effective July*  
14 *1, 2008, and applicable to sales occurring on or after said date*):

15 For the privilege of making any sales, as defined in subdivision (2)  
16 of subsection (a) of section 12-407 of the 2008 supplement to the  
17 general statutes, at retail, in this state for a consideration, a tax is  
18 hereby imposed on all retailers at the rate of six per cent of the gross  
19 receipts of any retailer from the sale of all tangible personal property  
20 sold at retail or from the rendering of any services constituting a sale in  
21 accordance with subdivision (2) of subsection (a) of section 12-407 of  
22 the 2008 supplement to the general statutes, except, in lieu of said rate  
23 of six per cent, (A) at a rate of twelve per cent with respect to each  
24 transfer of occupancy, from the total amount of rent received for such  
25 occupancy of any room or rooms in a hotel or lodging house for the  
26 first period not exceeding thirty consecutive calendar days, (B) with  
27 respect to the sale of a motor vehicle to any individual who is a  
28 member of the armed forces of the United States and is on full-time  
29 active duty in Connecticut and who is considered, under 50 App USC  
30 574, a resident of another state, or to any such individual and the  
31 spouse thereof, at a rate of four and one-half per cent of the gross  
32 receipts of any retailer from such sales, provided such retailer requires  
33 and maintains a declaration by such individual, prescribed as to form  
34 by the commissioner and bearing notice to the effect that false  
35 statements made in such declaration are punishable, or other evidence,  
36 satisfactory to the commissioner, concerning the purchaser's state of  
37 residence under 50 App USC 574, (C) (i) with respect to the sales of  
38 computer and data processing services occurring on or after July 1,  
39 1997, and prior to July 1, 1998, at the rate of five per cent, on or after  
40 July 1, 1998, and prior to July 1, 1999, at the rate of four per cent, on or  
41 after July 1, 1999, and prior to July 1, 2000, at the rate of three per cent,  
42 on or after July 1, 2000, and prior to July 1, 2001, at the rate of two per  
43 cent, on or after July 1, 2001, at the rate of one per cent, (ii) with respect  
44 to sales of Internet access services, on and after July 1, 2001, such  
45 services shall be exempt from such tax, (D) with respect to the sales of  
46 labor that is otherwise taxable under subparagraph (C) or (G) of  
47 subdivision (2) of subsection (a) of section 12-407 of the 2008  
48 supplement to the general statutes on existing vessels and repair or

49 maintenance services on vessels occurring on and after July 1, 1999,  
50 such services shall be exempt from such tax, (E) with respect to patient  
51 care services for which payment is received by the hospital on or after  
52 July 1, 1999, and prior to July 1, 2001, at the rate of five and three-  
53 fourths per cent and on and after July 1, 2001, such services shall be  
54 exempt from such tax, (F) with respect to the sale of materials, tools,  
55 fuels, machinery or equipment used for a project funded by the  
56 Renewable Energy Investment Fund, established pursuant to section  
57 16-245n, on or after July 1, 2008, at the rate of three per cent. The rate of  
58 tax imposed by this chapter shall be applicable to all retail sales upon  
59 the effective date of such rate, except that a new rate which represents  
60 an increase in the rate applicable to the sale shall not apply to any sales  
61 transaction wherein a binding sales contract without an escalator  
62 clause has been entered into prior to the effective date of the new rate  
63 and delivery is made within ninety days after the effective date of the  
64 new rate. For the purposes of payment of the tax imposed under this  
65 section, any retailer of services taxable under subparagraph (I) of  
66 subdivision (2) of subsection (a) of section 12-407 of the 2008  
67 supplement to the general statutes, who computes taxable income, for  
68 purposes of taxation under the Internal Revenue Code of 1986, or any  
69 subsequent corresponding internal revenue code of the United States,  
70 as from time to time amended, on an accounting basis which  
71 recognizes only cash or other valuable consideration actually received  
72 as income and who is liable for such tax only due to the rendering of  
73 such services may make payments related to such tax for the period  
74 during which such income is received, without penalty or interest,  
75 without regard to when such service is rendered.

76 Sec. 3. Section 12-411 of the general statutes is repealed and the  
77 following is substituted in lieu thereof (*Effective July 1, 2008, and*  
78 *applicable to sales occurring on or after said date*):

79 An excise tax is hereby imposed on the storage, acceptance,  
80 consumption or any other use in this state of tangible personal  
81 property purchased from any retailer for storage, acceptance,

82 consumption or any other use in this state, the acceptance or receipt of  
83 any services constituting a sale in accordance with subdivision (2) of  
84 subsection (a) of section 12-407 of the 2008 supplement to the general  
85 statutes, purchased from any retailer for consumption or use in this  
86 state, or the storage, acceptance, consumption or any other use in this  
87 state of tangible personal property which has been manufactured,  
88 fabricated, assembled or processed from materials by a person, either  
89 within or without this state, for storage, acceptance, consumption or  
90 any other use by such person in this state, to be measured by the sales  
91 price of materials, at the rate of six per cent of the sales price of such  
92 property or services, except, in lieu of said rate of six per cent, (A) at a  
93 rate of twelve per cent of the rent paid for occupancy of any room or  
94 rooms in a hotel or lodging house for the first period of not exceeding  
95 thirty consecutive calendar days, (B) with respect to the storage,  
96 acceptance, consumption or use in this state of a motor vehicle  
97 purchased from any retailer for storage, acceptance, consumption or  
98 use in this state by any individual who is a member of the armed  
99 forces of the United States and is on full-time active duty in  
100 Connecticut and who is considered, under 50 App USC 574, a resident  
101 of another state, or to any such individual and the spouse of such  
102 individual at a rate of four and one-half per cent of the sales price of  
103 such vehicle, provided such retailer requires and maintains a  
104 declaration by such individual, prescribed as to form by the  
105 commissioner and bearing notice to the effect that false statements  
106 made in such declaration are punishable, or other evidence,  
107 satisfactory to the commissioner, concerning the purchaser's state of  
108 residence under 50 App USC 574, (C) with respect to the acceptance or  
109 receipt in this state of labor that is otherwise taxable under  
110 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section  
111 12-407 of the 2008 supplement to the general statutes on existing  
112 vessels and repair or maintenance services on vessels occurring on and  
113 after July 1, 1999, such services shall be exempt from such tax, (D) (i)  
114 with respect to the acceptance or receipt in this state of computer and  
115 data processing services purchased from any retailer for consumption

116 or use in this state occurring on or after July 1, 1997, and prior to July 1,  
 117 1998, at the rate of five per cent of such services, on or after July 1,  
 118 1998, and prior to July 1, 1999, at the rate of four per cent of such  
 119 services, on or after July 1, 1999, and prior to July 1, 2000, at the rate of  
 120 three per cent of such services, on or after July 1, 2000, and prior to July  
 121 1, 2001, at the rate of two per cent of such services, on and after July 1,  
 122 2001, at the rate of one per cent of such services, and (ii) with respect to  
 123 the acceptance or receipt in this state of Internet access services, on or  
 124 after July 1, 2001, such services shall be exempt from tax, (E) with  
 125 respect to the acceptance or receipt in this state of patient care services  
 126 purchased from any retailer for consumption or use in this state for  
 127 which payment is received by the hospital on or after July 1, 1999, and  
 128 prior to July 1, 2001, at the rate of five and three-fourths per cent and  
 129 on and after July 1, 2001, such services shall be exempt from such tax,  
 130 (F) with respect to the storage, acceptance, consumption, use or receipt  
 131 in this state of materials, tools, fuels, machinery or equipment used for  
 132 a project funded by the Renewable Energy Investment Fund,  
 133 established pursuant to section 16-245n.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008, for sales made on or after said date</i>	PA 07-242, Sec. 70
Sec. 2	<i>July 1, 2008, and applicable to sales occurring on or after said date</i>	12-408(1)
Sec. 3	<i>July 1, 2008, and applicable to sales occurring on or after said date</i>	12-411

**Statement of Purpose:**

To provide an incentive for the purchase of energy efficient appliances.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*