



General Assembly

Substitute Bill No. 505

February Session, 2008

* SB00505ET 030608 *

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2 of public act 07-1 of the June 2007 special session, is repealed and the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, and*
4 *applicable to sales occurring 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13 repealed and the following is substituted in lieu thereof (*Effective July*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, at the rate of three per cent.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008, and applicable to sales occurring 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 Legislative Commissioners:

In section 3, ", at the rate of three per cent" was added for statutory consistency.

ET *Joint Favorable Subst.-LCO*