



House of Representatives

General Assembly

File No. 438

January Session, 2009

Substitute House Bill No. 5189

House of Representatives, April 2, 2009

The Committee on Planning and Development reported through REP. SHARKEY of the 88th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING A LOCAL OPTION TO IMPOSE A LODGING OCCUPANCY TAX.

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

1 Section 1. (NEW) (*Effective July 1, 2009, and applicable to sales*
2 *occurring on or after July 1, 2009*) (a) As used in this section,
3 "municipality" means any town, city or borough, consolidated town
4 and city or consolidated town and borough.

5 (b) Any municipality, by ordinance adopted by its legislative body,
6 may impose a sales tax of one per cent of the gross receipts from sales
7 within the meaning of subdivision (2) of subsection (a) of section 12-
8 407 of the general statutes by any hotel or lodging house located
9 within the boundaries of such municipality.

10 (c) The Commissioner of Revenue Services and a municipality that
11 imposes a tax under this section shall enter into a memorandum of
12 understanding to facilitate collection of such tax and payment to the

13 municipality.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009, and applicable to sales occurring on or after July 1, 2009</i>	New section

PD *Joint Favorable Subst.*

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 House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Department of Revenue Services	GF - Cost	430,000	None

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$
Various Municipalities	Revenue Gain	Potential	Potential

Explanation

This bill allows the legislative body of a municipality to adopt an ordinance to impose a 1% tax on the gross receipts from sales by any hotel or lodging house located within the municipality’s boundaries. The total potential revenue gain to all municipalities is \$6 million to \$6.5 million per year beginning in FY 10.

The bill will require DRS to make significant changes to their Integrated Tax Administration System (ITAS) and their collection methods that would cost approximately \$430,000 in FY 10.

The Out Years

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

OLR Bill Analysis

sHB 5189

AN ACT CONCERNING A LOCAL OPTION TO IMPOSE A LODGING OCCUPANCY TAX.

SUMMARY:

This bill allows the legislative body of a municipality to adopt an ordinance to impose a 1% tax on the gross receipts from sales by any hotel or lodging house located within the municipality's boundaries. A municipality is a town, city or borough, consolidated town and city, or consolidated town and borough. The bill appears to apply to all taxable sales by a hotel or lodging house, including such things as food and beverages. The bill requires the revenue services commissioner and a municipality that imposes the tax to enter into a memorandum of understanding to facilitate the tax's collection and its payment to the municipality.

EFFECTIVE DATE: July 1, 2009, and applicable to sales occurring on and after July 1, 2009.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 15 Nay 3 (03/13/2009)