



Senate

General Assembly

File No. 604

January Session, 2009

Senate Bill No. 998

Senate, April 9, 2009

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE STREAMLINED SALES TAX PROJECT.

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

1 Section 1. (*Effective from passage*) Not later than September 1, 2009,
2 the Commissioner of Revenue Services shall, in accordance with the
3 provisions of section 11-4a of the general statutes, report to the
4 chairpersons of the joint standing committee of the General Assembly
5 having cognizance of matters relating to finance, revenue and bonding
6 regarding the status of the streamlined sales tax project. Such report
7 shall (1) review previous studies on said project and evaluate their
8 continuing relevance, (2) update such studies with more recent
9 revenue estimates, (3) provide an assessment of actions taken by the
10 federal government and other states to further implement said project,
11 and (4) make a recommendation as to further steps to be taken by the
12 state.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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FIN *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 House thereof for any purpose:

OFA Fiscal Note

State Impact:

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

Note: GF=General Fund

Municipal Impact: None

Explanation

The Department of Revenue Services is anticipated to be able to complete the report within existing resources.

The Out Years

None

OLR Bill Analysis**SB 998*****AN ACT CONCERNING THE STREAMLINED SALES TAX PROJECT.*****SUMMARY:**

This bill requires the revenue services commissioner, by September 1, 2009, to report to the Finance, Revenue and Bonding Committee chairpersons on the status of the streamlined sales tax (SST) project. The report must:

1. review the current relevance of earlier SST studies,
2. update revenue estimates for the earlier studies,
3. assess federal and other states' actions to further implement the SST, and
4. recommend any further steps for Connecticut.

EFFECTIVE DATE: Upon passage

BACKGROUND***Streamlined Sales and Use Tax Agreement (SSUTA)***

The SSUTA is a multistate agreement to simplify state and local sales and use tax laws and administrative procedures to encourage better and less expensive tax collection, particularly on electronic and other cross-border transactions by remote sellers. Among other things, it requires member states to (1) adopt uniform definitions for taxable and exempt products and services, (2) simplify tax rates by limiting themselves generally to one sales tax rate for all taxable products and services, (3) administer both state and local sales and use taxes at the state level, and (4) adopt uniform rules for sourcing transactions based on where items or services are delivered or used. It also establishes

three types of certified technology systems for sellers to use to collect and remit sales taxes to all jurisdictions. Finally, the agreement establishes a multistate organization and mechanisms to administer the agreement and settle tax disputes.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 53 Nay 0 (03/24/2009)