



Senate

General Assembly

File No. 386

February Session, 2010

Substitute Senate Bill No. 177

Senate, April 8, 2010

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING VENDING MACHINE SALES.

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

1 Section 1. Subdivision (27) of section 12-412 of the 2010 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective October 1, 2010, and applicable to sales on and after*
4 *October 1, 2010*):

5 (27) (A) Sales of any items for fifty cents or less from vending
6 machines; or (B) notwithstanding the provisions of subdivision (13) of
7 this section, meals, healthy snacks or carbonated beverages sold
8 through coin-operated vending machines or at unattended "honor
9 boxes". For the purposes of this section, "healthy snacks" means any
10 fruit or vegetable or any item containing less than one hundred twenty
11 calories per serving.

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

Section 1	<i>October 1, 2010, and applicable to sales on and after October 1, 2010</i>	12-412(27)
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CE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Department of Revenue Services	GF - Revenue Loss	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill will result in a revenue loss to the General Fund of between \$750,000 and \$1,125,000 in FY 11 and between \$1,000,000 and \$1,500,000 per year thereafter. The revenue loss, which is to the sales and use tax, is a result of the bill providing an exemption for "healthy snacks" and carbonated beverages sold through a vending machine or through an "honor box."

The revenue loss will be primarily due to the exemption of carbonated beverages sold through vending machines. The revenue estimate above is based on projected vending machine carbonated beverage sales of between \$16.6 million and \$25.0 million.

The Out Years

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

OLR Bill Analysis

sSB 177

AN ACT CONCERNING VENDING MACHINE SALES.

SUMMARY:

This bill exempts healthy snacks and carbonated beverages sold through coin-operated vending machines and unattended "honor boxes" from the sales tax. Healthy snacks are fruits, vegetables, or any item containing less than 120 calories per serving. The bill does not define "honor box," but it is typically an unattended box where customers leave money for the items they buy. Current law already exempts meals sold through these machines or boxes. It also exempts any item costing less than 50 cents sold through a vending machine.

EFFECTIVE DATE: October 1, 2010 and applicable to sales on or after that date.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 18 Nay 2 (03/23/2010)