



Senate

General Assembly

File No. 645

February Session, 2010

Substitute Senate Bill No. 177

Senate, April 27, 2010

The Committee on Public Health reported through SEN. HARRIS of the 5th 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2 to the general statutes is repealed and the following is substituted in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 or healthy snacks sold through coin-operated
8 vending machines or at unattended "honor boxes". For the purposes of
9 this section, "healthy snacks" means any fruit or vegetable or any item
10 containing less than one hundred twenty 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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PH *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 an indeterminate revenue loss to the General Fund from the sales and use tax beginning in FY 11. The revenue loss is from a sales tax exemption placed on "healthy snacks" sold through vending machines and honor boxes. The revenue loss will depend on the amount of sales that qualify for the exemption.

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 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. 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. Neither the law nor the bill defines "honor box," but it is typically an unattended box where customers leave money for the items they buy.

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

BACKGROUND

On April 14, the Senate referred the bill to the Public Health Committee, which favorably reported a substitute that deleted a provision exempting from the sales tax carbonated beverages sold through coin-operated vending machines and unattended honor boxes.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 18 Nay 2 (03/23/2010)

Public Health Committee

Joint Favorable Substitute

Yea 19 Nay 8 (04/20/2010)