



General Assembly

January Session, 2011

Raised Bill No. 6624

LCO No. 4855

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Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

**AN ACT CONCERNING THE COLLECTION AND REMITTANCE OF
THE SALES TAX BY REMOTE SELLERS.**

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

1 Section 1. Subdivision (12) of subsection (a) of section 12-407 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2011, and applicable to sales occurring on and after*
4 *said date*):

5 (12) "Retailer" includes: (A) Every person engaged in the business of
6 making sales at retail or in the business of making retail sales at
7 auction of tangible personal property owned by the person or others;
8 (B) every person engaged in the business of making sales for storage,
9 use or other consumption or in the business of making sales at auction
10 of tangible personal property owned by the person or others for
11 storage, use or other consumption; (C) every operator, as defined in
12 subdivision (18) of this subsection; (D) every seller rendering any
13 service described in subdivision (2) of this subsection; (E) every person
14 under whom any salesman, representative, peddler or canvasser
15 operates in this state, or from whom such salesman, representative,
16 peddler or canvasser obtains the tangible personal property that is

17 sold; (F) every person with whose assistance any seller is enabled to
18 solicit orders within this state; (G) every person making retail sales
19 from outside this state to a destination within this state and not
20 maintaining a place of business in this state who engages in regular or
21 systematic solicitation of sales of tangible personal property in this
22 state (i) by the display of advertisements on billboards or other
23 outdoor advertising in this state, (ii) by the distribution of catalogs,
24 periodicals, advertising flyers or other advertising by means of print,
25 radio or television media, or (iii) by mail, telegraphy, telephone,
26 computer data base, cable, optic, microwave or other communication
27 system, for the purpose of effecting retail sales of tangible personal
28 property, provided such person has made one hundred or more retail
29 sales from outside this state to destinations within this state during the
30 twelve-month period ended on the September thirtieth immediately
31 preceding the monthly or quarterly period with respect to which such
32 person's liability for tax under this chapter is determined; (H) any
33 person owned or controlled, either directly or indirectly, by a retailer
34 engaged in business in this state which is the same as or similar to the
35 line of business in which such person so owned or controlled is
36 engaged; (I) any person owned or controlled, either directly or
37 indirectly, by the same interests that own or control, either directly or
38 indirectly, a retailer engaged in business in this state which is the same
39 as or similar to the line of business in which such person so owned or
40 controlled is engaged; (J) any assignee of a person engaged in the
41 business of leasing tangible personal property to others, where leased
42 property of such person which is subject to taxation under this chapter
43 is situated within this state and such assignee has a security interest, as
44 defined in subdivision (35) of subsection (b) of section 42a-1-201, in
45 such property; [and] (K) every person making retail sales of items of
46 tangible personal property from outside this state to a destination
47 within this state and not maintaining a place of business in this state
48 who repairs or services such items, under a warranty, in this state,
49 either directly or indirectly through an agent, independent contractor
50 or subsidiary; and (L) every person making sales of tangible personal

51 property or services through an independent contractor or other
52 representative who is a resident of this state, if the retailer enters into
53 an agreement with the resident, under which the resident, for a
54 commission or other consideration, directly or indirectly refers
55 potential customers, whether by a link on an Internet web site or
56 otherwise, to the retailer, provided the cumulative gross receipts from
57 sales by the retailer to customers in the state who are referred to the
58 retailer by all residents with this type of an agreement with the retailer,
59 is in excess of two thousand dollars during the preceding four
60 quarterly periods ending on the last day of March, June, September
61 and December. Such retailer shall be presumed to be soliciting
62 business through such resident independent contractor or other
63 representative, which presumption may be rebutted by proof that the
64 resident with whom the retailer has an agreement did not engage in
65 any solicitation in the state on behalf of the retailer that would satisfy
66 the nexus requirement of the United States Constitution during such
67 four quarterly periods.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011, and applicable to sales occurring on and after said date</i>	12-407(a)(12)

Statement of Purpose:

To specify that sales tax is due when an online retailer uses an in-state affiliate to sell its products.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]