



General Assembly

Substitute Bill No. 903

January Session, 2011

* _____SB00903CE_FIN030911_____*

AN ACT ENCOURAGING CONNECTICUT MANUFACTURING.

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

1 Section 1. Subdivision (37) of subsection (a) of section 12-407 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective January 1, 2012, and applicable to services provided on or*
4 *after said date*):

5 (37) "Services" for purposes of subdivision (2) of this subsection,
6 means:

7 (A) Computer and data processing services, including, but not
8 limited to, time, programming, code writing, modification of existing
9 programs, feasibility studies and installation and implementation of
10 software programs and systems even where such services are rendered
11 in connection with the development, creation or production of canned
12 or custom software or the license of custom software, and exclusive of
13 services rendered in connection with the creation, development
14 hosting or maintenance of all or part of a web site which is part of the
15 graphical, hypertext portion of the Internet, commonly referred to as
16 the World Wide Web;

17 (B) Credit information and reporting services;

18 (C) Services by employment agencies and agencies providing

19 personnel services, except for personnel services provided to any
20 industry included in sectors 31 to 33, inclusive, of the North American
21 Industry Classification System United States Manual, United States
22 Office of Management and Budget, 1997 edition, provided such
23 personnel services are used in the direct manufacturing of a product;

24 (D) Private investigation, protection, patrol work, watchman and
25 armored car services, exclusive of (i) services of off-duty police officers
26 and off-duty firefighters, and (ii) coin and currency services provided
27 to a financial services company by or through another financial
28 services company. For purposes of this subparagraph, "financial
29 services company" has the same meaning as provided under
30 subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a)
31 of section 12-218b;

32 (E) Painting and lettering services;

33 (F) Photographic studio services;

34 (G) Telephone answering services;

35 (H) Stenographic services;

36 (I) Services to industrial, commercial or income-producing real
37 property, including, but not limited to, such services as management,
38 electrical, plumbing, painting and carpentry and excluding any such
39 services rendered in the voluntary evaluation, prevention, treatment,
40 containment or removal of hazardous waste, as defined in section
41 22a-115, or other contaminants of air, water or soil, provided
42 income-producing property shall not include property used
43 exclusively for residential purposes in which the owner resides and
44 which contains no more than three dwelling units, or a housing facility
45 for low and moderate income families and persons owned or operated
46 by a nonprofit housing organization, as defined in subdivision (29) of
47 section 12-412;

48 (J) Business analysis, management, management consulting and

49 public relations services, excluding (i) any environmental consulting
50 services, (ii) any training services provided by an institution of higher
51 education licensed or accredited by the Board of Governors of Higher
52 Education pursuant to section 10a-34, and (iii) on and after January 1,
53 1994, any business analysis, management, management consulting and
54 public relations services when such services are rendered in connection
55 with an aircraft leased or owned by a certificated air carrier or in
56 connection with an aircraft which has a maximum certificated take-off
57 weight of six thousand pounds or more;

58 (K) Services providing "piped-in" music to business or professional
59 establishments;

60 (L) Flight instruction and chartering services by a certificated air
61 carrier on an aircraft, the use of which for such purposes, but for the
62 provisions of subdivision (4) of section 12-410 and subdivision (12) of
63 section 12-411, would be deemed a retail sale and a taxable storage or
64 use, respectively, of such aircraft by such carrier;

65 (M) Motor vehicle repair services, including any type of repair,
66 painting or replacement related to the body or any of the operating
67 parts of a motor vehicle;

68 (N) Motor vehicle parking, including the provision of space, other
69 than metered space, in a lot having thirty or more spaces, excluding (i)
70 space in a seasonal parking lot provided by a person who is exempt
71 from taxation under this chapter pursuant to subdivision (1), (5) or (8)
72 of section 12-412, (ii) space in a parking lot owned or leased under the
73 terms of a lease of not less than ten years' duration and operated by an
74 employer for the exclusive use of its employees, (iii) valet parking
75 provided at any airport, and (iv) space in municipally-operated
76 railroad parking facilities in municipalities located within an area of
77 the state designated as a severe nonattainment area for ozone under
78 the federal Clean Air Act or space in a railroad parking facility in a
79 municipality located within an area of the state designated as a severe
80 nonattainment area for ozone under the federal Clean Air Act owned

81 or operated by the state on or after April 1, 2000;

82 (O) Radio or television repair services;

83 (P) Furniture reupholstering and repair services;

84 (Q) Repair services to any electrical or electronic device, including,
85 but not limited to, equipment used for purposes of refrigeration or
86 air-conditioning;

87 (R) Lobbying or consulting services for purposes of representing the
88 interests of a client in relation to the functions of any governmental
89 entity or instrumentality;

90 (S) Services of the agent of any person in relation to the sale of any
91 item of tangible personal property for such person, exclusive of the
92 services of a consignee selling works of art, as defined in subsection (b)
93 of section 12-376c, or articles of clothing or footwear intended to be
94 worn on or about the human body other than (i) any special clothing
95 or footwear primarily designed for athletic activity or protective use
96 and which is not normally worn except when used for the athletic
97 activity or protective use for which it was designed, and (ii) jewelry,
98 handbags, luggage, umbrellas, wallets, watches and similar items
99 carried on or about the human body but not worn on the body in the
100 manner characteristic of clothing intended for exemption under
101 subdivision (47) of section 12-412, under consignment, exclusive of
102 services provided by an auctioneer;

103 (T) Locksmith services;

104 (U) Advertising or public relations services, including layout, art
105 direction, graphic design, mechanical preparation or production
106 supervision, not related to the development of media advertising or
107 cooperative direct mail advertising;

108 (V) Landscaping and horticulture services;

109 (W) Window cleaning services;

110 (X) Maintenance services;

111 (Y) Janitorial services;

112 (Z) Exterminating services;

113 (AA) Swimming pool cleaning and maintenance services;

114 (BB) Miscellaneous personal services included in industry group 729
115 in the Standard Industrial Classification Manual, United States Office
116 of Management and Budget, 1987 edition, or U.S. industry 532220,
117 812191, 812199 or 812990 in the North American Industrial
118 Classification System United States Manual, United States Office of
119 Management and Budget, 1997 edition, exclusive of (i) services
120 rendered by massage therapists licensed pursuant to chapter 384a, and
121 (ii) services rendered by an electrologist licensed pursuant to chapter
122 388;

123 (CC) Any repair or maintenance service to any item of tangible
124 personal property including any contract of warranty or service related
125 to any such item;

126 (DD) Business analysis, management or managing consulting
127 services rendered by a general partner, or an affiliate thereof, to a
128 limited partnership, provided (i) the general partner, or an affiliate
129 thereof, is compensated for the rendition of such services other than
130 through a distributive share of partnership profits or an annual
131 percentage of partnership capital or assets established in the limited
132 partnership's offering statement, and (ii) the general partner, or an
133 affiliate thereof, offers such services to others, including any other
134 partnership. As used in this subparagraph "an affiliate of a general
135 partner" means an entity which is directly or indirectly owned fifty per
136 cent or more in common with a general partner;

137 (EE) Notwithstanding the provisions of section 12-412, except

138 subdivision (87) of said section 12-412, patient care services, as defined
139 in subdivision (29) of this subsection by a hospital, except that "sale"
140 and "selling" does not include such patient care services for which
141 payment is received by the hospital during the period commencing
142 July 1, 2001, and ending June 30, 2003;

143 (FF) Health and athletic club services, exclusive of (i) any such
144 services provided without any additional charge which are included in
145 any dues or initiation fees paid to any such club, which dues or fees
146 are subject to tax under section 12-543, (ii) any such services provided
147 by a municipality or an organization that is described in Section 501(c)
148 of the Internal Revenue Code of 1986, or any subsequent
149 corresponding internal revenue code of the United States, as from time
150 to time amended, and (iii) yoga instruction provided at a yoga studio.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2012, and applicable to services provided on or after said date</i>	12-407(a)(37)

CE

Joint Favorable Subst. C/R

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