



General Assembly

Amendment

June Special Session, 2011

LCO No. 8771

HB0670108771HRO

Offered by:

REP. CAFERO, 142nd Dist.

REP. KLARIDES, 114th Dist.

REP. CANDELORA, 86th Dist.

To: House Bill No. 6701

File No.

Cal. No.

**"AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM
ENDING JUNE 30, 2013."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subparagraph (I) of subdivision (37) of subsection (a) of
4 section 12-407 of the general statutes, as amended by section 88 of
5 public act 11-6, is repealed and the following is substituted in lieu
6 thereof (*Effective July 1, 2011, and applicable to sales occurring on or after*
7 *said date*):

8 (I) Services to industrial, commercial or income-producing real
9 property, including, but not limited to, such services as management,
10 electrical, plumbing, painting and carpentry and excluding any such
11 services rendered in the voluntary evaluation, prevention, treatment,
12 containment or removal of hazardous waste, as defined in section 22a-
13 115, or other contaminants of air, water or soil, provided income-

14 producing property shall not include property used exclusively for
15 residential purposes in which the owner resides and which contains no
16 more than three dwelling units, or a housing facility for low and
17 moderate income families and persons owned or operated by a
18 nonprofit housing organization, as defined in subdivision (29) of
19 section 12-412;

20 Sec. 502. Subparagraph (N) of subdivision (37) of subsection (a) of
21 section 12-407 of the general statutes, as amended by section 89 of
22 public act 11-6, is repealed and the following is substituted in lieu
23 thereof (*Effective July 1, 2011, and applicable to sales occurring on or after*
24 *said date*):

25 (N) Motor vehicle parking, including the provision of space, other
26 than metered space, in a lot having thirty or more spaces, excluding (i)
27 space in a seasonal parking lot provided by a person who is exempt
28 from taxation under this chapter pursuant to subdivision (1), (5) or (8)
29 of section 12-412, (ii) space in a parking lot owned or leased under the
30 terms of a lease of not less than ten years' duration and operated by an
31 employer for the exclusive use of its employees, [and] (iii) valet
32 parking provided at any airport, and (iv) space in municipally-
33 operated railroad parking facilities in municipalities located within an
34 area of the state designated as a severe nonattainment area for ozone
35 under the federal Clean Air Act or space in a railroad parking facility
36 in a municipality located within an area of the state designated as a
37 severe nonattainment area for ozone under the federal Clean Air Act
38 owned or operated by the state on or after April 1, 2000;

39 Sec. 503. Subparagraph (FF) of subdivision (37) of subsection (a) of
40 section 12-407 of the general statutes, as amended by section 91 of
41 public act 11-6, is repealed and the following is substituted in lieu
42 thereof (*Effective July 1, 2011, and applicable to sales occurring on or after*
43 *said date*):

44 (FF) Health and athletic club services, exclusive of (i) any such
45 services provided without any additional charge which are included in

46 any dues or initiation fees paid to any such club, which dues or fees
47 are subject to tax under section 12-543, [and] (ii) any such services
48 provided by a municipality or an organization that is described in
49 Section 501(c) of the Internal Revenue Code of 1986, or any subsequent
50 corresponding internal revenue code of the United States, as from time
51 to time amended, and (iii) yoga instruction provided at a yoga studio.

52 Sec. 504. Subdivision (1) of section 12-408 of the general statutes, as
53 amended by section 93 of public act 11-6 and section 42 of public act
54 11-61, is repealed and the following is substituted in lieu thereof
55 (*Effective July 1, 2011, and applicable to sales occurring on or after said date*):

56 (1) (A) For the privilege of making any sales, as defined in
57 subdivision (2) of subsection (a) of section 12-407, at retail, in this state
58 for a consideration, a tax is hereby imposed on all retailers at the rate
59 of six [and thirty-five-hundredths] per cent of the gross receipts of any
60 retailer from the sale of all tangible personal property sold at retail or
61 from the rendering of any services constituting a sale in accordance
62 with subdivision (2) of subsection (a) of section 12-407, except, in lieu
63 of said rate of six [and thirty-five-hundredths] per cent, the rates
64 provided in subparagraphs (B) to (F), inclusive, of this subdivision;

65 (B) At a rate of fifteen per cent with respect to each transfer of
66 occupancy, from the total amount of rent received for such occupancy
67 of any room or rooms in a hotel or lodging house for the first period
68 not exceeding thirty consecutive calendar days;

69 (C) With respect to the sale of a motor vehicle to any individual who
70 is a member of the armed forces of the United States and is on full-time
71 active duty in Connecticut and who is considered, under 50 App USC
72 574, a resident of another state, or to any such individual and the
73 spouse thereof, at a rate of four and one-half per cent of the gross
74 receipts of any retailer from such sales, provided such retailer requires
75 and maintains a declaration by such individual, prescribed as to form
76 by the commissioner and bearing notice to the effect that false
77 statements made in such declaration are punishable, or other evidence,

78 satisfactory to the commissioner, concerning the purchaser's state of
79 residence under 50 App USC 574;

80 (D) (i) With respect to the sales of computer and data processing
81 services occurring on or after July 1, 1997, and prior to July 1, 1998, at
82 the rate of five per cent, on or after July 1, 1998, and prior to July 1,
83 1999, at the rate of four per cent, on or after July 1, 1999, and prior to
84 July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and
85 prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001,
86 at the rate of one per cent, and (ii) with respect to sales of Internet
87 access services, on and after July 1, 2001, such services shall be exempt
88 from such tax;

89 (E) With respect to the sales of labor that is otherwise taxable under
90 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section
91 12-407 on existing vessels and repair or maintenance services on
92 vessels occurring on and after July 1, 1999, such services shall be
93 exempt from such tax;

94 (F) With respect to patient care services for which payment is
95 received by the hospital on or after July 1, 1999, and prior to July 1,
96 2001, at the rate of five and three-fourths per cent and on and after July
97 1, 2001, such services shall be exempt from such tax;

98 (G) With respect to the rental or leasing of a passenger motor
99 vehicle for a period of thirty consecutive calendar days or less, at a rate
100 of nine and thirty-five-hundredths per cent; and

101 [(H) With respect to the sale of (i) a motor vehicle for a sales price
102 exceeding fifty thousand dollars, at a rate of seven per cent on the
103 entire sales price, (ii) a vessel for a sales price exceeding one hundred
104 thousand dollars, at a rate of seven per cent on the entire sales price,
105 (iii) jewelry, whether real or imitation, for a sales price exceeding five
106 thousand dollars, at a rate of seven per cent on the entire sales price,
107 and (iv) an article of clothing or footwear intended to be worn on or
108 about the human body, a handbag, luggage, umbrella, wallet or watch
109 for a sales price exceeding one thousand dollars, at a rate of seven per

110 cent on the entire sales price. For purposes of this subparagraph,
111 "motor vehicle" shall have the meaning provided in section 14-1, but
112 shall not include a motor vehicle subject to the provisions of
113 subparagraph (C) of this subdivision, a motor vehicle having a gross
114 vehicle weight rating over twelve thousand five hundred pounds, or a
115 motor vehicle having a gross vehicle weight rating of twelve thousand
116 five hundred pounds or less that is not used for private passenger
117 purposes, but is designed or used to transport merchandise, freight or
118 persons in connection with any business enterprise and issued a
119 commercial registration or more specific type of registration by the
120 Department of Motor Vehicles;]

121 [(I)] (H) The rate of tax imposed by this chapter shall be applicable
122 to all retail sales upon the effective date of such rate, except that a new
123 rate which represents an increase in the rate applicable to the sale shall
124 not apply to any sales transaction wherein a binding sales contract
125 without an escalator clause has been entered into prior to the effective
126 date of the new rate and delivery is made within ninety days after the
127 effective date of the new rate. For the purposes of payment of the tax
128 imposed under this section, any retailer of services taxable under
129 subparagraph (I) of subdivision (2) of subsection (a) of section 12-407,
130 who computes taxable income, for purposes of taxation under the
131 Internal Revenue Code of 1986, or any subsequent corresponding
132 internal revenue code of the United States, as from time to time
133 amended, on an accounting basis which recognizes only cash or other
134 valuable consideration actually received as income and who is liable
135 for such tax only due to the rendering of such services may make
136 payments related to such tax for the period during which such income
137 is received, without penalty or interest, without regard to when such
138 service is rendered. [;]

139 [(J)] For calendar quarters ending on or after September 30, 2011, the
140 commissioner shall deposit into the municipal revenue sharing
141 account established pursuant to section 96 of this act, one and fifty-
142 seven-hundredths per cent of the amounts received by the state from
143 the tax imposed under subparagraph (A) of this subdivision, and one

144 and forty-three-hundredths of the amounts received by the state from
 145 the tax imposed under subparagraph (H) of this subdivision; and

146 (K) For calendar quarters ending on or after September 30, 2011, the
 147 commissioner shall deposit into the regional performance incentive
 148 account established pursuant to section 95 of this act, six and seven-
 149 tenths per cent of the amounts received by the state from the tax
 150 imposed under subparagraph (B) of this subdivision and ten and
 151 seven-tenths per cent of the amounts received by the state from the tax
 152 imposed under subparagraph (G) of this subdivision.]

153 Sec. 505. Subdivision (3) of section 12-408 of the general statutes, as
 154 amended by section 94 of public act 11-6 and section 43 of public act
 155 11-61, is repealed and the following is substituted in lieu thereof
 156 (*Effective July 1, 2011*):

157 (3) For the purpose of adding and collecting the tax imposed by this
 158 chapter, or an amount equal as nearly as possible or practicable to the
 159 average equivalent thereof, by the retailer from the consumer the
 160 following bracket system shall be in force and effect as follows:

T1	Amount of Sale	Amount of Tax
T2	\$0.00 to [\$0.07] <u>\$0.08</u> inclusive	No Tax
T3	[.08 to .23] <u>.09 to .24</u> inclusive	1 cent
T4	[.24 to .39] <u>.25 to .41</u> inclusive	2 cents
T5	[.40 to .55] <u>.42 to .58</u> inclusive	3 cents
T6	[.56 to .70] <u>.59 to .74</u> inclusive	4 cents
T7	[.71 to .86] <u>.75 to .91</u> inclusive	5 cents
T8	[.87 to 1.02] <u>.92 to 1.08</u> inclusive	6 cents
T9	[1.03 to 1.18 inclusive	7 cents]

161 On all sales above [~~\$1.18~~] \$1.08, the tax shall be computed at the rate
 162 of six [and thirty-five-hundredths] per cent.

163 Sec. 506. Subdivision (1) of section 12-411 of the general statutes, as
164 amended by section 97 of public act 11-6, is repealed and the following
165 is substituted in lieu thereof (*Effective July 1, 2011, and applicable to sales*
166 *occurring on or after said date*):

167 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
168 consumption or any other use in this state of tangible personal
169 property purchased from any retailer for storage, acceptance,
170 consumption or any other use in this state, the acceptance or receipt of
171 any services constituting a sale in accordance with subdivision (2) of
172 subsection (a) of section 12-407, purchased from any retailer for
173 consumption or use in this state, or the storage, acceptance,
174 consumption or any other use in this state of tangible personal
175 property which has been manufactured, fabricated, assembled or
176 processed from materials by a person, either within or without this
177 state, for storage, acceptance, consumption or any other use by such
178 person in this state, to be measured by the sales price of materials, at
179 the rate of six [and thirty-five-hundredths] per cent of the sales price of
180 such property or services, except, in lieu of said rate of six [and thirty-
181 five-hundredths] per cent;

182 (B) At a rate of fifteen per cent of the rent paid for occupancy of any
183 room or rooms in a hotel or lodging house for the first period of not
184 exceeding thirty consecutive calendar days;

185 (C) With respect to the storage, acceptance, consumption or use in
186 this state of a motor vehicle purchased from any retailer for storage,
187 acceptance, consumption or use in this state by any individual who is a
188 member of the armed forces of the United States and is on full-time
189 active duty in Connecticut and who is considered, under 50 App USC
190 574, a resident of another state, or to any such individual and the
191 spouse of such individual at a rate of four and one-half per cent of the
192 sales price of such vehicle, provided such retailer requires and
193 maintains a declaration by such individual, prescribed as to form by
194 the commissioner and bearing notice to the effect that false statements
195 made in such declaration are punishable, or other evidence,

196 satisfactory to the commissioner, concerning the purchaser's state of
197 residence under 50 App USC 574;

198 (D) With respect to the acceptance or receipt in this state of labor
199 that is otherwise taxable under subparagraph (C) or (G) of subdivision
200 (2) of subsection (a) of section 12-407 on existing vessels and repair or
201 maintenance services on vessels occurring on and after July 1, 1999,
202 such services shall be exempt from such tax;

203 (E) With respect to the acceptance or receipt in this state of
204 computer and data processing services purchased from any retailer for
205 consumption or use in this state occurring on or after July 1, 1997, and
206 prior to July 1, 1998, at the rate of five per cent of such services, on or
207 after July 1, 1998, and prior to July 1, 1999, at the rate of four per cent of
208 such services, on or after July 1, 1999, and prior to July 1, 2000, at the
209 rate of three per cent of such services, on or after July 1, 2000, and prior
210 to July 1, 2001, at the rate of two per cent of such services, on and after
211 July 1, 2001, at the rate of one per cent of such services, and (ii) with
212 respect to the acceptance or receipt in this state of Internet access
213 services, on or after July 1, 2001, such services shall be exempt from
214 tax;

215 (F) With respect to the acceptance or receipt in this state of patient
216 care services purchased from any retailer for consumption or use in
217 this state for which payment is received by the hospital on or after July
218 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths
219 per cent and on and after July 1, 2001, such services shall be exempt
220 from such tax; and

221 (G) With respect to the rental or leasing of a passenger motor
222 vehicle for a period of thirty consecutive calendar days or less, at a rate
223 of nine and thirty-five-hundredths per cent. [;]

224 [(H) With respect to the sale of (i) a motor vehicle for a sales price
225 exceeding fifty thousand dollars, at a rate of seven per cent on the
226 entire purchase price, (ii) a vessel for a sales price exceeding one
227 hundred thousand dollars, at a rate of seven per cent on the entire

228 purchase price, (iii) jewelry, whether real or imitation, for a sales price
229 exceeding five thousand dollars, at a rate of seven per cent on the
230 entire purchase price, and (iv) an article of clothing or footwear
231 intended to be worn on or about the human body, a handbag, luggage,
232 umbrella, wallet or watch for a sales price exceeding one thousand
233 dollars, at a rate of seven per cent on the entire purchase price. For
234 purposes of this subparagraph, "motor vehicle" shall have the meaning
235 provided in section 14-1, but shall not include a motor vehicle subject
236 to the provisions of subparagraph (C) of this subdivision, a motor
237 vehicle having a gross vehicle weight rating over twelve thousand five
238 hundred pounds, or a motor vehicle having a gross vehicle weight
239 rating of twelve thousand five hundred pounds or less that is not used
240 for private passenger purposes, but is designed or used to transport
241 merchandise, freight or persons in connection with any business
242 enterprise and issued a commercial registration or more specific type
243 of registration by the Department of Motor Vehicles;

244 (I) For calendar quarters ending on or after September 30, 2011, the
245 commissioner shall deposit into the municipal revenue sharing
246 account established pursuant to section 96 of this act, one and fifty-
247 seven-hundredths per cent of the amounts received by the state from
248 the tax imposed under subparagraph (A) of this subdivision, and one
249 and forty-three-hundredths of the amounts received by the state from
250 the tax imposed under subparagraph (H) of this subdivision; and

251 (J) For calendar quarters ending on or after September 30, 2011, the
252 commissioner shall deposit into the regional performance incentive
253 account established pursuant to section 95 of this act, six and seven-
254 tenths per cent of the amounts received by the state from the tax
255 imposed under subparagraph (B) of this subdivision and ten and
256 seven-tenths per cent of the amounts received by the state from the tax
257 imposed under subparagraph (G) of this subdivision.]

258 Sec. 507. Section 12-412 of the general statutes is amended by adding
259 subdivisions (119) to (122), inclusive, as follows (*Effective July 1, 2011*):

260 (NEW) (119) Sales of any article of clothing or footwear intended to
261 be worn on or about the human body the cost of which to the
262 purchaser is less than fifty dollars. For purposes of this subdivision
263 clothing or footwear shall not include (A) any special clothing or
264 footwear primarily designed for athletic activity or protective use that
265 is not normally worn except when used for the athletic activity or
266 protective use for which it was designed, and (B) jewelry, handbags,
267 luggage, umbrellas, wallets, watches and similar items carried on or
268 about the human body but not worn on the body in the manner
269 characteristic of clothing intended for exemption under this
270 subdivision.

271 (NEW) (120) Any sale of cloth or fabric for purposes of
272 noncommercial sewing, made of natural or synthetic fibers and of such
273 composition, weight and texture as to be used commonly in clothing,
274 and including in addition to such cloth or fabric, any items necessary
275 in such sewing which become a component part of the clothing so
276 made.

277 (NEW) (121) Sales of the following drugs or medicines available for
278 purchase without prescription for use in or on the body: Vitamin or
279 mineral concentrates; dietary supplements; natural or herbal drugs or
280 medicines; products intended to be taken for coughs, colds, asthma or
281 allergies; antihistamines; laxatives; antidiarrheal medicines; analgesics;
282 antibiotic, antibacterial, antiviral and antifungal medicines; antiseptics;
283 astringents; anesthetics; steroidal medicines; anthelmintics; emetics
284 and antiemetics; antacids; and any medication prepared to be used in
285 the eyes, ears or nose, excluding cosmetics, dentifrices, mouthwash,
286 shaving and hair care products, soaps and deodorants.

287 (NEW) (122) The sales or use of any services or tangible personal
288 property to be incorporated into or used or otherwise consumed in the
289 operation of a solid waste-to-energy facility, certified as approved for
290 such purpose by the Commissioner of Environmental Protection,
291 whether such purchases are made directly by an authority or an
292 operating committee, or are reimbursed by an authority or operating

293 committee to the lessee or operator of such facility.

294 Sec. 508. (*Effective from passage*) Notwithstanding the provisions of
 295 sections 3-69a and 9-750 of the general statutes, from the effective date
 296 of this section to June 30, 2013, inclusive, (1) no funds received by the
 297 State Treasurer under part III of chapter 32 of the general statutes and
 298 deposited in the General Fund shall be credited to the Citizens'
 299 Election Fund established in section 9-701 of the general statutes, and
 300 (2) no revenues from the tax imposed under chapter 208 of the general
 301 statutes shall be deposited in the Citizens' Election Fund.

302 Sec. 509. (*Effective from passage*) Notwithstanding section 9-701 of the
 303 general statutes, the balance of funds in the Citizens' Election Fund
 304 shall be transferred and credited to the resources of the General Fund
 305 for the fiscal year ending June 30, 2012.

306 Sec. 510. (*Effective July 1, 2011*) The amounts appropriated to the
 307 following agency in section 1 of public act 11-6, as amended by section
 308 67 of public act 11-61, are reduced by the following amounts for the
 309 annual periods indicated:

T10		2011-2012	2012-2013
T11	DEPARTMENT OF SOCIAL SERVICES		
T12	Medicaid	20,000,000	20,000,000

310 Sec. 511. (NEW) (*Effective from passage*) (a) Notwithstanding the
 311 provisions of sections 4-30a and 4-30b of the general statutes, after the
 312 accounts for the fiscal year ending June 30, 2011, are closed, if the
 313 Comptroller determines that an unappropriated surplus exists in the
 314 General Fund, the Comptroller shall reserve an amount, not to exceed
 315 one hundred fourteen million dollars to be credited to the resources of
 316 the General Fund for the fiscal year ending June 30, 2012, to be applied
 317 to any unreserved negative General Fund resulting from the operation
 318 of the provisions of sections 501 to 507, inclusive, and section 512 of
 319 this act, before any other reserve required by any provision of the
 320 general statutes is determined.

321 (b) Notwithstanding the provisions of sections 4-30a and 4-30b of
322 the general statutes, after the accounts for the fiscal year ending June
323 30, 2012, are closed, if the Comptroller determines that an
324 unappropriated surplus exists in the General Fund, the Comptroller
325 shall reserve an amount, not to exceed seventy-seven million five
326 hundred thousand dollars to be credited to the resources of the
327 General Fund for the fiscal year ending June 30, 2013, to be applied to
328 any unreserved negative General Fund resulting from the operation of
329 the provisions of sections 501 to 507, inclusive, and section 512 of this
330 act, before any other reserve required by any provision of the general
331 statutes is determined.

332 (c) Notwithstanding the provisions of sections 4-30a and 4-30b of
333 the general statutes, after the accounts for the fiscal year ending June
334 30, 2013, are closed, if the Comptroller determines that an
335 unappropriated surplus exists in the General Fund, the Comptroller
336 shall reserve an amount, not to exceed four hundred forty-four million
337 one hundred thousand dollars to be credited to the resources of the
338 General Fund for the fiscal year ending June 30, 2014, to be applied to
339 any unreserved negative General Fund resulting from the operation of
340 the provisions of sections 501 to 507, inclusive, and section 512 of this
341 act, before any other reserve required by any provision of the general
342 statutes is determined.

343 Sec. 512. Section 92 of public act 11-6, as amended by section 41 of
344 public act 11-61, and section 110 of public act 11-6 are repealed.
345 (*Effective from passage*)"