



House of Representatives

General Assembly

File No. 531

January Session, 2013

Substitute House Bill No. 6576

House of Representatives, April 16, 2013

The Committee on Finance, Revenue and Bonding reported through REP. WIDLITZ of the 98th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE APPLICABILITY OF THE SALES AND USE TAX TO WINTER STORAGE OF BOATS.

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

1 Section 1. Subparagraph (M) of subdivision (2) of subsection (a) of
2 section 12-407 of the general statutes is repealed and the following is
3 substituted in lieu thereof (*Effective from passage*):

4 (M) The transfer for consideration of space or the right to use any
5 space for the purpose of storage or mooring of any noncommercial
6 vessel, exclusive of dry or wet storage or mooring of such vessel
7 during the period commencing on the first day of [November] October
8 in any year to and including the [thirtieth day of April] thirty-first day
9 of May of the next succeeding year;

10 Sec. 2. Section 12-413a of the general statutes is repealed and the
11 following is substituted in lieu thereof (*Effective from passage*):

12 Notwithstanding the provisions of section 12-411, the tax imposed

13 thereunder shall not be applicable, in the period commencing on the
 14 first day of October in any year to and including the [thirtieth day of
 15 April] thirty-first day of May next succeeding, with respect to the use
 16 of any vessel within this state exclusively for purposes of (1) delivery
 17 of such vessel to a facility in this state for storage, including dry
 18 storage and storage in water by means of apparatus preventing ice
 19 damage to the hull, maintenance or repair, or (2) the actual process of
 20 storage, maintenance or repair of such vessel. The provisions of this
 21 section shall have no effect upon liability for tax under this chapter
 22 related to the sale or use of such vessel other than such liability which
 23 may be established in relation to the specific use of such vessel as
 24 described in this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-407(a)(2)(M)
Sec. 2	<i>from passage</i>	12-413a

FIN *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 13 \$	FY 14 \$	FY 15 \$
Department of Revenue Services	GF - Potential Revenue Loss	Minimal	Minimal	Minimal

Municipal Impact: None

Explanation

The bill results in a potential minimal revenue loss by extending the time during which certain existing sales and use tax exemptions pertaining to boats are in effect.

Section 1 extends the sales and use tax exemption for storing noncommercial boats. To the degree that individuals store their boats during the extension months, October and May, there may be a revenue loss. However, it is anticipated that most boats will not be stored during these months due to their proximity to general boating season. The revenue loss is therefore estimated to be minimal.

Section 2 extends the use tax exemption on boats brought to the state for storage, maintenance, or repair. Most of these boats do not remain in the state for the entire current exemption period of October 1 to April 30. It is therefore anticipated that most boats will not remain in the state for the extended exemption period of October 1 to May 31, as allowed under the bill. As a result, there is an anticipated minimal revenue loss.

The Out Years

The annualized ongoing fiscal impact identified above would

continue into the future subject to inflation.

OLR Bill Analysis**sHB 6576*****AN ACT CONCERNING THE APPLICABILITY OF THE SALES AND USE TAX TO WINTER STORAGE OF BOATS.*****SUMMARY:**

This bill extends the length of time that boats stored during the winter are exempt from sales and use tax. It extends the sales tax exemption for storing noncommercial boats by two months, by starting the period sooner and ending it later. Under current law, the period runs from November 1 to April 30. Under bill, it runs from October 1 to May 31.

The bill also extends the use tax exemption for boats brought into Connecticut only to be stored, maintained, or repaired, by ending the period one month later. Under current law, the period runs from October 1 to April 30. Under the bill, it runs from October 1 to May 31.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 51 Nay 0 (04/04/2013)