



General Assembly

January Session, 2013

Raised Bill No. 6576

LCO No. 4056



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING THE APPLICABILITY OF THE SALES AND USE TAX TO 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2 section 12-407 of the general statutes is repealed and the following is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 Section 12-413a of the general statutes is repealed and the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.

25 Sec. 3. Subdivision (1) of section 12-408 of the general statutes is
26 repealed and the following is substituted in lieu thereof (*Effective from*
27 *passage*):

28 (1) (A) For the privilege of making any sales, as defined in
29 subdivision (2) of subsection (a) of section 12-407, at retail, in this state
30 for a consideration, a tax is hereby imposed on all retailers at the rate
31 of six and thirty-five-hundredths per cent of the gross receipts of any
32 retailer from the sale of all tangible personal property sold at retail or
33 from the rendering of any services constituting a sale in accordance
34 with subdivision (2) of subsection (a) of section 12-407, except, in lieu
35 of said rate of six and thirty-five-hundredths per cent, the rates
36 provided in subparagraphs (B) to (F), inclusive, of this subdivision;

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

41 (C) With respect to the sale of a motor vehicle to any individual who
42 is a member of the armed forces of the United States and is on full-time
43 active duty in Connecticut and who is considered, under 50 App USC
44 574, a resident of another state, or to any such individual and the
45 spouse thereof, at a rate of four and one-half per cent of the gross

46 receipts of any retailer from such sales, provided such retailer requires
47 and maintains a declaration by such individual, prescribed as to form
48 by the commissioner and bearing notice to the effect that false
49 statements made in such declaration are punishable, or other evidence,
50 satisfactory to the commissioner, concerning the purchaser's state of
51 residence under 50 App USC 574;

52 (D) (i) With respect to the sales of computer and data processing
53 services occurring on or after July 1, 1997, and prior to July 1, 1998, at
54 the rate of five per cent, on or after July 1, 1998, and prior to July 1,
55 1999, at the rate of four per cent, on or after July 1, 1999, and prior to
56 July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and
57 prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001,
58 at the rate of one per cent, and (ii) with respect to sales of Internet
59 access services, on and after July 1, 2001, such services shall be exempt
60 from such tax;

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

66 (ii) With respect to the sale of a vessel, such sale shall be exempt
67 from such tax provided such vessel is docked in this state for sixty or
68 fewer days in a calendar year;

69 (F) With respect to patient care services for which payment is
70 received by the hospital on or after July 1, 1999, and prior to July 1,
71 2001, at the rate of five and three-fourths per cent and on and after July
72 1, 2001, such services shall be exempt from such tax;

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

76 (H) With respect to the sale of (i) a motor vehicle for a sales price
77 exceeding fifty thousand dollars, at a rate of seven per cent on the
78 entire sales price, (ii) a vessel for a sales price exceeding one hundred
79 thousand dollars, at a rate of seven per cent on the entire sales price,
80 (iii) jewelry, whether real or imitation, for a sales price exceeding five
81 thousand dollars, at a rate of seven per cent on the entire sales price,
82 and (iv) an article of clothing or footwear intended to be worn on or
83 about the human body, a handbag, luggage, umbrella, wallet or watch
84 for a sales price exceeding one thousand dollars, at a rate of seven per
85 cent on the entire sales price. For purposes of this subparagraph,
86 "motor vehicle" shall have the meaning provided in section 14-1, but
87 shall not include a motor vehicle subject to the provisions of
88 subparagraph (C) of this subdivision, a motor vehicle having a gross
89 vehicle weight rating over twelve thousand five hundred pounds, or a
90 motor vehicle having a gross vehicle weight rating of twelve thousand
91 five hundred pounds or less that is not used for private passenger
92 purposes, but is designed or used to transport merchandise, freight or
93 persons in connection with any business enterprise and issued a
94 commercial registration or more specific type of registration by the
95 Department of Motor Vehicles;

96 (I) The rate of tax imposed by this chapter shall be applicable to all
97 retail sales upon the effective date of such rate, except that a new rate
98 which represents an increase in the rate applicable to the sale shall not
99 apply to any sales transaction wherein a binding sales contract without
100 an escalator clause has been entered into prior to the effective date of
101 the new rate and delivery is made within ninety days after the effective
102 date of the new rate. For the purposes of payment of the tax imposed
103 under this section, any retailer of services taxable under subparagraph
104 (I) of subdivision (2) of subsection (a) of section 12-407, who computes
105 taxable income, for purposes of taxation under the Internal Revenue
106 Code of 1986, or any subsequent corresponding internal revenue code
107 of the United States, as from time to time amended, on an accounting
108 basis which recognizes only cash or other valuable consideration

109 actually received as income and who is liable for such tax only due to
110 the rendering of such services may make payments related to such tax
111 for the period during which such income is received, without penalty
112 or interest, without regard to when such service is rendered;

113 (J) For calendar quarters ending on or after September 30, 2011, the
114 commissioner shall deposit into the municipal revenue sharing
115 account, established pursuant to section 4-66l, one and fifty-seven-
116 hundredths per cent of the amounts received by the state from the tax
117 imposed under subparagraph (A) of this subdivision, and one and
118 forty-three-hundredths per cent of the amounts received by the state
119 from the tax imposed under subparagraph (H) of this subdivision; and

120 (K) For calendar quarters ending on or after September 30, 2011, the
121 commissioner shall deposit into the regional performance incentive
122 account, established pursuant to section 4-66k, six and seven-tenths
123 per cent of the amounts received by the state from the tax imposed
124 under subparagraph (B) of this subdivision and ten and seven-tenths
125 per cent of the amounts received by the state from the tax imposed
126 under subparagraph (G) of this subdivision.

127 Sec. 4. Subdivision (1) of section 12-411 of the general statutes is
128 repealed and the following is substituted in lieu thereof (*Effective from*
129 *passage*):

130 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
131 consumption or any other use in this state of tangible personal
132 property purchased from any retailer for storage, acceptance,
133 consumption or any other use in this state, the acceptance or receipt of
134 any services constituting a sale in accordance with subdivision (2) of
135 subsection (a) of section 12-407, purchased from any retailer for
136 consumption or use in this state, or the storage, acceptance,
137 consumption or any other use in this state of tangible personal
138 property which has been manufactured, fabricated, assembled or
139 processed from materials by a person, either within or without this

140 state, for storage, acceptance, consumption or any other use by such
141 person in this state, to be measured by the sales price of materials, at
142 the rate of six and thirty-five-hundredths per cent of the sales price of
143 such property or services, except, in lieu of said rate of six and thirty-
144 five-hundredths per cent;

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

148 (C) With respect to the storage, acceptance, consumption or use in
149 this state of a motor vehicle purchased from any retailer for storage,
150 acceptance, consumption or use in this state by any individual who is a
151 member of the armed forces of the United States and is on full-time
152 active duty in Connecticut and who is considered, under 50 App USC
153 574, a resident of another state, or to any such individual and the
154 spouse of such individual at a rate of four and one-half per cent of the
155 sales price of such vehicle, provided such retailer requires and
156 maintains a declaration by such individual, prescribed as to form by
157 the commissioner and bearing notice to the effect that false statements
158 made in such declaration are punishable, or other evidence,
159 satisfactory to the commissioner, concerning the purchaser's state of
160 residence under 50 App USC 574;

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

166 (ii) With respect to the storage, acceptance or other use of a vessel in
167 this state, such storage, acceptance or other use shall be exempt from
168 such tax, provided such vessel is docked in this state for sixty or fewer
169 days in a calendar year;

170 (E) With respect to the acceptance or receipt in this state of

171 computer and data processing services purchased from any retailer for
172 consumption or use in this state occurring on or after July 1, 1997, and
173 prior to July 1, 1998, at the rate of five per cent of such services, on or
174 after July 1, 1998, and prior to July 1, 1999, at the rate of four per cent of
175 such services, on or after July 1, 1999, and prior to July 1, 2000, at the
176 rate of three per cent of such services, on or after July 1, 2000, and prior
177 to July 1, 2001, at the rate of two per cent of such services, on and after
178 July 1, 2001, at the rate of one per cent of such services, and (ii) with
179 respect to the acceptance or receipt in this state of Internet access
180 services, on or after July 1, 2001, such services shall be exempt from
181 tax;

182 (F) With respect to the acceptance or receipt in this state of patient
183 care services purchased from any retailer for consumption or use in
184 this state for which payment is received by the hospital on or after July
185 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths
186 per cent and on and after July 1, 2001, such services shall be exempt
187 from such tax;

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

191 (H) With respect to the sale of (i) a motor vehicle for a sales price
192 exceeding fifty thousand dollars, at a rate of seven per cent on the
193 entire purchase price, (ii) a vessel for a sales price exceeding one
194 hundred thousand dollars, at a rate of seven per cent on the entire
195 purchase price, (iii) jewelry, whether real or imitation, for a sales price
196 exceeding five thousand dollars, at a rate of seven per cent on the
197 entire purchase price, and (iv) an article of clothing or footwear
198 intended to be worn on or about the human body, a handbag, luggage,
199 umbrella, wallet or watch for a sales price exceeding one thousand
200 dollars, at a rate of seven per cent on the entire purchase price. For
201 purposes of this subparagraph, "motor vehicle" shall have the meaning
202 provided in section 14-1, but shall not include a motor vehicle subject

203 to the provisions of subparagraph (C) of this subdivision, a motor
204 vehicle having a gross vehicle weight rating over twelve thousand five
205 hundred pounds, or a motor vehicle having a gross vehicle weight
206 rating of twelve thousand five hundred pounds or less that is not used
207 for private passenger purposes, but is designed or used to transport
208 merchandise, freight or persons in connection with any business
209 enterprise and issued a commercial registration or more specific type
210 of registration by the Department of Motor Vehicles;

211 (I) For calendar quarters ending on or after September 30, 2011, the
212 commissioner shall deposit into the municipal revenue sharing
213 account, established pursuant to section 4-66l, one and fifty-seven-
214 hundredths per cent of the amounts received by the state from the tax
215 imposed under subparagraph (A) of this subdivision, and one and
216 forty-three-hundredths of the amounts received by the state from the
217 tax imposed under subparagraph (H) of this subdivision; and

218 (J) For calendar quarters ending on or after September 30, 2011, the
219 commissioner shall deposit into the regional performance incentive
220 account, established pursuant to section 4-66k, six and seven-tenths
221 per cent of the amounts received by the state from the tax imposed
222 under subparagraph (B) of this subdivision and ten and seven-tenths
223 per cent of the amounts received by the state from the tax imposed
224 under subparagraph (G) of this subdivision.

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
Sec. 3	<i>from passage</i>	12-408(1)
Sec. 4	<i>from passage</i>	12-411(1)

Statement of Purpose:

To allow a longer period of time for boat storage and repair, and to exempt from the sales and use tax boats that are in this state for sixty days or less.

[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.]