



House of Representatives

General Assembly

File No. 750

January Session, 2015

House Bill No. 6996

House of Representatives, April 28, 2015

The Committee on Finance, Revenue and Bonding reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING REGISTRATION REQUIREMENTS RELATED TO THE DRY CLEANING ESTABLISHMENT SURCHARGE.

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

1 Section 1. Subsection (b) of section 12-263m of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2015*):

4 (b) There shall be paid to the Commissioner of Revenue Services by
5 each dry cleaning establishment a surcharge of one per cent of its gross
6 receipts at retail for any dry cleaning service performed on or after
7 January 1, 1995. Each [such] dry cleaning establishment shall register
8 with the Commissioner of Revenue Services on forms prescribed by
9 [him] the commissioner. Each dry cleaning establishment that is
10 registered with the commissioner shall renew its registration with the
11 commissioner on October 1, 2015, and annually thereafter, in such
12 manner as the commissioner may prescribe. No dry cleaning
13 establishment may engage in or transact business as a dry cleaning
14 establishment unless it is registered with the commissioner in

15 accordance with the provisions of this subsection. Any dry cleaning
16 establishment that fails to register or renew its registration in
17 accordance with the provisions of this subsection shall pay a penalty of
18 one thousand dollars for each such failure, which penalty shall not be
19 subject to waiver. Each [such] dry cleaning establishment shall submit
20 a return quarterly to the Commissioner of Revenue Services, applicable
21 with respect to the calendar quarter beginning January 1, 1995, and
22 each calendar quarter thereafter, on or before the last day of the month
23 immediately following the end of each such calendar quarter, on a
24 form prescribed by the commissioner, together with payment of the
25 quarterly surcharge determined and payable in accordance with the
26 provisions of this section. Whenever such surcharge is not paid when
27 due, a penalty of ten per cent of the amount due or fifty dollars,
28 whichever is greater, shall be imposed, and such surcharge shall bear
29 interest at the rate of one per cent per month or fraction thereof until
30 the same is paid. The Commissioner of Revenue Services shall cause
31 copies of a form prescribed for submitting returns as required under
32 this section to be distributed to persons subject to the surcharge.
33 Failure to receive such form shall not be construed to relieve anyone
34 subject to the surcharge under this section from the obligations of
35 submitting a return, together with payment of such surcharge within
36 the time required. The provisions of sections 12-548 to 12-554,
37 inclusive, and sections 12-555a and 12-555b shall apply to the
38 provisions of this section in the same manner and with the same force
39 and effect as if the language of said sections 12-548 to 12-554, inclusive,
40 and sections 12-555a and 12-555b had been incorporated in full into
41 this section and had expressly referred to the surcharge imposed under
42 this section, except to the extent that any such provision is inconsistent
43 with a provision of this section and except that the term "tax" shall be
44 read as "dry cleaning establishment surcharge". Any moneys received
45 by the state pursuant to this section shall be deposited into the account
46 established pursuant to subsection (c) of this section.

This act shall take effect as follows and shall amend the following sections:

| | | |
|-----------|---------------------|------------|
| Section 1 | <i>July 1, 2015</i> | 12-263m(b) |
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FIN *Joint Favorable*

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 16 \$ | FY 17 \$ |
|--------------------------------|-----------------------------|------------------|------------------|
| Department of Revenue Services | GF - Potential Revenue Gain | Less than 10,000 | Less than 10,000 |

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill establishes an annual registration renewal process for dry cleaning establishments subject to the Dry Cleaning Surcharge, and a \$1,000 penalty for each registration violation. It is anticipated that fewer than ten such violations would occur in any given year. As such, the bill results in a potential revenue gain of less than \$10,000 annually to the Dry Cleaning Remediation Account beginning in FY 16.

There are currently approximately 460 dry cleaning establishments paying a total of \$650,000 annually under the Dry Cleaning Surcharge.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 6996****AN ACT CONCERNING REGISTRATION REQUIREMENTS RELATED TO THE DRY CLEANING ESTABLISHMENT SURCHARGE.****SUMMARY:**

By law, dry cleaning businesses must register with the revenue services commissioner and pay a 1% surcharge on their dry cleaning retail gross receipts. Annually, beginning in 2015, this bill requires these businesses to renew their registrations, by October 1, as the commissioner specifies. Businesses that fail to do either may not provide dry cleaning services and face a \$1,000 penalty each time they fail to comply with these requirements. The commissioner may not waive the penalty.

By law, the revenue the dry cleaning surcharge generates funds grants for preventing, containing, or remediating pollution resulting from the hazardous chemicals used in dry cleaning. Eligible dry cleaners may apply for these grants to the Department of Economic and Community Development.

EFFECTIVE DATE: July 1, 2015

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 38 Nay 0 (04/16/2015)