



General Assembly

February Session, 2016

**Raised Bill No. 5625**

LCO No. 2882



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

**AN ACT CONCERNING THE SALE, VIA INTERNET AUCTION, OF LICENSE PLATES ISSUED BY THE DEPARTMENT OF MOTOR VEHICLES.**

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

1 Section 1. (NEW) (*Effective July 1, 2016*) (a) (1) The Commissioner of  
2 Motor Vehicles shall establish and administer a number plate auction  
3 program where number plates issued by the commissioner and  
4 number plates not yet in circulation are publicly auctioned and  
5 transferred to the highest bidder. The commissioner shall conduct such  
6 auction at least weekly on the department's Internet web site. The  
7 holder of a number plate issued by the commissioner may sell or  
8 transfer such number plate in the number plate auction. The  
9 commissioner, in consultation with the Secretary of the Office of Policy  
10 and Management, may establish a market value for a specific number  
11 plate as determined by auction or appraisal, provided (A) no such  
12 plate shall have a market value less than one thousand dollars, and (B)  
13 number plates with four or less digits or letters shall have a higher  
14 market value than plates with more digits or letters. Each person shall

15 pay a fee of twelve dollars to the commissioner for each year in which  
16 such person seeks to participate as a bidder in the number plate  
17 auction. Each seller of a number plate shall pay to the commissioner a  
18 fee of twelve dollars per thousand on the amount paid at auction for a  
19 number plate. Sale of a number plate at auction allows for the transfer  
20 of possession of such number plate, provided the buyer shall pay all  
21 fees associated with registration and issuance of such number plate.  
22 All number plates shall remain the property of the state and no title  
23 shall pass to any person who buys a number plate at auction. The  
24 commissioner may adopt regulations, in accordance with the  
25 provisions of chapter 54 of the general statutes, concerning the auction  
26 process or the transfer of a number plate by auction.

27 (2) The commissioner shall transfer to the general fund (A) one  
28 hundred per cent of the amount paid at auction for a number plate not  
29 yet in circulation, and (B) twenty-five per cent of the amount paid at  
30 auction for a number plate issued by the commissioner. The  
31 commissioner shall transfer the remaining seventy-five per cent of the  
32 amount paid at auction for such plate to the seller of such plate.

33 (3) Pursuant to the powers and authority under section 14-3 of the  
34 general statutes, the commissioner may enter into one or more  
35 contracts with independent contractors authorizing such contractors to  
36 implement and administer the number plate auction program. Such  
37 contract shall provide that the fee for implementation and  
38 administration shall be paid contingent upon, and as a percentage of,  
39 the revenue generated by such auction.

40 (b) The commissioner, in consultation with the Connecticut Lottery  
41 Corporation, may conduct a weekly lottery providing cash prizes to  
42 participating number plate owners. The commissioner may establish  
43 cost-per-click advertising revenue on its Internet web site.

44 Sec. 2. Subdivision (1) of section 12-408 of the 2016 supplement to  
45 the general statutes is repealed and the following is substituted in lieu

46 thereof (*Effective July 1, 2016, and applicable to sales occurring on or after*  
47 *said date*):

48 (1) (A) For the privilege of making any sales, as defined in  
49 subdivision (2) of subsection (a) of section 12-407, at retail, in this state  
50 for a consideration, a tax is hereby imposed on all retailers at the rate  
51 of six and thirty-five-hundredths per cent of the gross receipts of any  
52 retailer from the sale of all tangible personal property sold at retail or  
53 from the rendering of any services constituting a sale in accordance  
54 with subdivision (2) of subsection (a) of section 12-407, except, in lieu  
55 of said rate of six and thirty-five-hundredths per cent, the rates  
56 provided in subparagraphs (B) to ~~[(H)]~~ (I), inclusive, of this  
57 subdivision;

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

62 (C) With respect to the sale of a motor vehicle to any individual who  
63 is a member of the armed forces of the United States and is on full-time  
64 active duty in Connecticut and who is considered, under 50 App USC  
65 574, a resident of another state, or to any such individual and the  
66 spouse thereof, at a rate of four and one-half per cent of the gross  
67 receipts of any retailer from such sales, provided such retailer requires  
68 and maintains a declaration by such individual, prescribed as to form  
69 by the commissioner and bearing notice to the effect that false  
70 statements made in such declaration are punishable, or other evidence,  
71 satisfactory to the commissioner, concerning the purchaser's state of  
72 residence under 50 App USC 574;

73 (D) (i) With respect to the sales of computer and data processing  
74 services occurring on or after July 1, 1997, and prior to July 1, 1998, at  
75 the rate of five per cent, on or after July 1, 1998, and prior to July 1,  
76 1999, at the rate of four per cent, on or after July 1, 1999, and prior to

77 July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and  
78 prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001,  
79 at the rate of one per cent, and (ii) with respect to sales of Internet  
80 access services, on and after July 1, 2001, such services shall be exempt  
81 from such tax;

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

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

90 (F) With respect to patient care services for which payment is  
91 received by the hospital on or after July 1, 1999, and prior to July 1,  
92 2001, at the rate of five and three-fourths per cent and on and after July  
93 1, 2001, such services shall be exempt from such tax;

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

97 (H) With respect to the sale of (i) a motor vehicle for a sales price  
98 exceeding fifty thousand dollars, at a rate of seven and three-fourths  
99 per cent on the entire sales price, (ii) jewelry, whether real or imitation,  
100 for a sales price exceeding five thousand dollars, at a rate of seven and  
101 three-fourths per cent on the entire sales price, and (iii) an article of  
102 clothing or footwear intended to be worn on or about the human body,  
103 a handbag, luggage, umbrella, wallet or watch for a sales price  
104 exceeding one thousand dollars, at a rate of seven and three-fourths  
105 per cent on the entire sales price. For purposes of this subparagraph,  
106 "motor vehicle" has the meaning provided in section 14-1, but does not  
107 include a motor vehicle subject to the provisions of subparagraph (C)

108 of this subdivision, a motor vehicle having a gross vehicle weight  
109 rating over twelve thousand five hundred pounds, or a motor vehicle  
110 having a gross vehicle weight rating of twelve thousand five hundred  
111 pounds or less that is not used for private passenger purposes, but is  
112 designed or used to transport merchandise, freight or persons in  
113 connection with any business enterprise and issued a commercial  
114 registration or more specific type of registration by the Department of  
115 Motor Vehicles;

116 (I) With respect to the sale of a number plate, issued by the  
117 Commissioner of Motor Vehicles, through the auction established  
118 pursuant to section 1 of this act, at a rate of one and two-tenths per  
119 cent;

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

138 ~~[(J)]~~ (K) For calendar quarters ending on or after September 30, 2011,  
139 except for calendar quarters ending on or after July 1, 2016, but prior to

140 July 1, 2017, the commissioner shall deposit into the regional planning  
141 incentive account, established pursuant to section 4-66k, six and seven-  
142 tenths per cent of the amounts received by the state from the tax  
143 imposed under subparagraph (B) of this subdivision and ten and  
144 seven-tenths per cent of the amounts received by the state from the tax  
145 imposed under subparagraph (G) of this subdivision;

146 ~~[(K)]~~ (L) (i) Notwithstanding the provisions of this section, for  
147 calendar months commencing on or after May 1, 2016, but prior to  
148 May 1, 2017, the commissioner shall deposit into the municipal  
149 revenue sharing account established pursuant to section 4-66l four and  
150 seven-tenths per cent of the amounts received by the state from the tax  
151 imposed under subparagraph (A) of this subdivision;

152 (ii) For calendar months commencing on or after May 1, 2017, but  
153 prior to July 1, 2017, the commissioner shall deposit into the municipal  
154 revenue sharing account established pursuant to section 4-66l six and  
155 three-tenths per cent of the amounts received by the state from the tax  
156 imposed under subparagraph (A) of this subdivision;

157 (iii) For calendar months commencing on or after July 1, 2017, the  
158 commissioner shall deposit into the municipal revenue sharing  
159 account established pursuant to section 4-66l seven and nine-tenths per  
160 cent of the amounts received by the state from the tax imposed under  
161 subparagraph (A) of this subdivision; and

162 ~~[(L)]~~ (M) (i) Notwithstanding the provisions of this section, for  
163 calendar months commencing on or after December 1, 2015, but prior  
164 to October 1, 2016, the commissioner shall deposit into the Special  
165 Transportation Fund established under section 13b-68 four and seven-  
166 tenths per cent of the amounts received by the state from the tax  
167 imposed under subparagraph (A) of this subdivision;

168 (ii) For calendar months commencing on or after October 1, 2016,  
169 but prior to July 1, 2017, the commissioner shall deposit into the  
170 Special Transportation Fund established under section 13b-68 six and

171 three-tenths per cent of the amounts received by the state from the tax  
172 imposed under subparagraph (A) of this subdivision; and

173 (iii) For calendar months commencing on or after July 1, 2017, the  
174 commissioner shall deposit into the Special Transportation Fund  
175 established under section 13b-68 seven and nine-tenths per cent of the  
176 amounts received by the state from the tax imposed under  
177 subparagraph (A) of this subdivision.

178 Sec. 3. Section 4-660 of the 2016 supplement to the general statutes is  
179 repealed and the following is substituted in lieu thereof (*Effective July*  
180 *1, 2016*):

181 The Secretary of the Office of Policy and Management may establish  
182 receivables for the revenue anticipated pursuant to subparagraph [(K)]  
183 (L) of subdivision (1) of section 12-408, as amended by this act, and  
184 section 4-66l.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016</i>	New section
Sec. 2	<i>July 1, 2016, and applicable to sales occurring on or after said date</i>	12-408(1)
Sec. 3	<i>July 1, 2016</i>	4-660

**Statement of Purpose:**

To permit a license plate holder to sell a plate through an Internet auction on the DMV Internet web site, to establish a tax on the sales of such auctioned plates, to allow the DMV to conduct a weekly lottery and to allow the DMV to establish cost-per-click advertising revenue on its Internet web site.

*[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.]*