



General Assembly

January Session, 2017

Amendment

LCO No. 6435



Offered by:
SEN. KENNEDY, 12th Dist.

To: Subst. Senate Bill No. 996 File No. 417 Cal. No. 212

"AN ACT ESTABLISHING A BOTTLE RECYCLING FEE IN LIEU OF A REFUNDABLE DEPOSIT."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective October 1, 2017*) (a) For purposes of this
4 section:

5 (1) "Early recycling fee beverage" means any beverage that is a juice,
6 tea, sports drink, spirit or alcohol;

7 (2) "Beverage container" means the individual, separate, sealed
8 glass, metal or plastic bottle, can, jar or carton containing an early
9 recycling fee beverage, but does not include a bottle, can, jar or carton
10 of more than fifty milliliters in size if containing a spirit or alcohol;

11 (3) "Consumer" means every person who purchases a beverage in a
12 beverage container for use or consumption;

13 (4) "Dealer" means every person who engages in the sale of early

14 recycling fee beverages in beverage containers to a consumer;

15 (5) "Distributor" means every person who engages in the sale of
16 early recycling fee beverages in beverage containers to a dealer in this
17 state including any manufacturer who engages in such sale and
18 includes a dealer who engages in the sale of early recycling fee
19 beverages in beverage containers on which no recycling fee has been
20 collected prior to retail sale;

21 (6) "Manufacturer" means every person bottling, canning or
22 otherwise filling beverage containers for sale to distributors or dealers
23 or, in the case of private label brands, the owner of the private label
24 trademark;

25 (7) "Place of business of a dealer" means the fixed location at which
26 a dealer sells or offers for sale early recycling fee beverages in beverage
27 containers to consumers;

28 (8) "Use or consumption" includes the exercise of any right or power
29 over an early recycling fee beverage incident to the ownership thereof,
30 other than the sale or the keeping or retention of an early recycling fee
31 beverage for the purposes of sale; and

32 (9) "Recycling fee initiator" means the first dealer to collect the
33 recycling fee on a beverage container sold to any person within this
34 state.

35 (b) Every beverage container containing an early recycling fee
36 beverage sold or offered for sale in this state by a dealer to a consumer,
37 except for any such beverage containers sold or offered for sale for
38 consumption on an interstate passenger carrier, shall have a recycling
39 fee. Such recycling fee shall not be less than four cents.

40 (c) Each recycling fee initiator shall open a special interest-bearing
41 account at a Connecticut branch of a financial institution, as defined in
42 section 45a-557a of the general statutes, to the credit of the recycling
43 fee initiator. Each recycling fee initiator shall deposit in such account

44 an amount equal to the recycling fee established pursuant to
45 subsection (b) of this section for each beverage container sold by such
46 recycling fee initiator. Such deposit shall be made not more than one
47 month after the date such beverage container is sold. All interest,
48 dividends and returns earned on the special account shall be paid
49 directly into such account. Such moneys shall be kept separate and
50 apart from all other moneys in the possession of the recycling fee
51 initiator. The amount required to be deposited pursuant to this section,
52 when deposited, shall be held to be a special fund in trust for the state.

53 (d) Each recycling fee initiator shall submit a quarterly report for the
54 immediately preceding calendar quarter, on or before the last day of
55 the month next succeeding the close of such quarter. Each such report
56 shall be submitted to the Commissioner of Revenue Services, on a form
57 prescribed by the Commissioner of Revenue Services, and with such
58 information as the Commissioner of Revenue Services deems
59 necessary, including, but not limited to, the following information: (1)
60 The balance in the special account at the beginning of the quarter for
61 which the report is prepared, (2) all recycling fees credited to such
62 account during such quarter, including all recycling fees paid to the
63 deposit initiator and all interest, dividends or returns received on such
64 account, (3) all withdrawals from such account during such quarter,
65 including all service charges and overdraft charges on such account
66 and all payments made pursuant to subsection (c) of this section, and
67 (4) the balance in such account at the close of the quarter for which the
68 report is prepared. Such quarterly report shall be filed electronically
69 with the Commissioner of Revenue Services, in the manner provided
70 by chapter 228g of the general statutes.

71 (e) On or before January 31, 2018, each recycling fee initiator shall
72 pay the balance outstanding in the special account that is attributable
73 to the period from October 1, 2017, to January 30, 2018, inclusive, to the
74 Commissioner of Revenue Services for deposit in the General Fund.
75 Subsequently, the balance outstanding in the special account that is
76 attributable to the immediately preceding calendar quarter shall be
77 paid by the recycling fee initiator on or before the last day of the

78 month next succeeding the close of such quarter to the Commissioner
79 of Revenue Services for deposit in the General Fund. If the amount of
80 the required payment pursuant to this subdivision is not paid on or
81 before the due date, a penalty of ten per cent of the amount due and
82 unpaid, or fifty dollars, whichever is greater, shall be imposed. The
83 amount due and unpaid shall bear interest at the rate of one per cent
84 per month or fraction thereof, from the due date. Any such penalty or
85 interest shall not be paid from funds maintained in such special
86 account. Such required payment shall be made by electronic funds
87 transfer to the Commissioner of Revenue Services, in the manner
88 provided by chapter 228g of the general statutes.

89 (f) The Commissioner of Revenue Services may examine the
90 accounts and records of any recycling fee initiator maintained under
91 this section and any related accounts and records, including receipts,
92 disbursements and such other items as the Commissioner of Revenue
93 Services deems appropriate.

94 (g) The Attorney General may, independently or upon complaint of
95 the Commissioner of Energy and Environmental Protection or the
96 Commissioner of Revenue Services, institute any appropriate action or
97 proceeding to enforce any provision of this section.

98 (h) The provisions of sections 12-548, 12-550 to 12-554, inclusive, and
99 12-555a of the general statutes shall be deemed to apply to the
100 provisions of this section, except any provision of sections 12-548, 12-
101 550 to 12-554, inclusive, and 12-555a of the general statutes that is
102 inconsistent with the provision in this section.

103 (i) Any payment required pursuant to this section shall be treated as
104 a tax for purposes of sections 12-30b, 12-33a, 12-35a, 12-39g and 12-39h
105 of the general statutes.

106 (j) For the period commencing October 1, 2017, and ending July 1,
107 2018, the Commissioner of Revenue Services shall make any recycling
108 fees collected pursuant to this section available for payment to the
109 redemption centers established pursuant to section 22a-245 of the

110 general statutes, as amended by this act, in a manner that enables any
111 dealer or operator of such redemption center to realize a handling fee
112 of two and one-half cents for each container of beer or other malt
113 beverage and three cents for each container of mineral waters, soda
114 water, and similar carbonated soft drink or noncarbonated beverage
115 returned for redemption, in accordance with the provisions of sections
116 22a-243 to 22a-246, inclusive, of the general statutes, as amended by
117 this act.

118 (k) Any person who violates any provision of this section shall be
119 fined by the Commissioner of Revenue Services or the Commissioner
120 of Energy and Environmental Protection, as applicable, not less than
121 fifty dollars nor more than one hundred dollars, and for a second
122 offense shall be fined not less than one hundred dollars nor more than
123 two hundred dollars and for a third or subsequent offense shall be
124 fined not less than two hundred fifty dollars or more than five
125 hundred dollars.

126 Sec. 2. (NEW) (*Effective October 1, 2017*) Notwithstanding the
127 provisions of section 22a-245a of the general statutes, as amended by
128 this act, any balance in a special interest-bearing account established
129 pursuant to section 22a-245a of the general statutes, as amended by
130 this act, as of March 31, 2018, and as of June 30, 2018, shall be held in
131 trust for the state by the deposit initiator and shall be used to refund
132 deposits to dealers until August 31, 2018. Any remaining balance in
133 any such account as of September 1, 2018, shall be paid to the
134 Commissioner of Revenue Services for deposit in the General Fund.

135 Sec. 3. Section 22a-243 of the general statutes is repealed and the
136 following is substituted in lieu thereof (*Effective July 1, 2018*):

137 For purposes of sections 22a-243 to 22a-245c, inclusive, as amended
138 by this act:

139 (1) "Carbonated beverage" means beer or other malt beverages, and
140 mineral waters, soda water and similar carbonated soft drinks in liquid
141 form and intended for human consumption;

142 (2) "Noncarbonated beverage" means, juice, tea, sports drink, spirit
143 or liquor and water, including flavored water, nutritionally enhanced
144 water and any beverage that is identified through the use of letters,
145 words or symbols on such beverage's product label as a type of water,
146 but excluding [juice and] mineral water;

147 (3) "Beverage container" means the individual, separate, sealed
148 glass, metal or plastic bottle, can, jar or carton containing a carbonated
149 or noncarbonated beverage, but does not include a bottle, can, jar or
150 carton (A) three liters or more in size if containing a noncarbonated
151 beverage, [or] (B) made of high-density polyethylene, or (C) more than
152 fifty milliliters in size if containing a spirit or liquor;

153 (4) "Consumer" means every person who purchases a beverage in a
154 beverage container or any item contained in or that consists of a
155 designated recyclable item, as described in section 22a-241b, for use or
156 consumption;

157 (5) "Dealer" means every person who engages in the sale of
158 beverages in beverage containers or any item contained in or that
159 consists of a designated recyclable item, as described in section 22a-
160 241b, to a consumer;

161 (6) "Distributor" means every person who engages in the sale of
162 beverages in beverage containers or any item contained in or that
163 consists of a designated recyclable item, as described in section 22a-
164 241b, to a dealer in this state including any manufacturer who engages
165 in such sale and includes a dealer who engages in the sale of beverages
166 in beverage containers or any item contained in or that consists of a
167 designated recyclable item, as described in section 22a-241b, on which
168 no [deposit] recycling fee has been collected prior to retail sale;

169 (7) "Manufacturer" means every person bottling, canning or
170 otherwise filling beverage containers or offering any item contained in
171 or that consists of a designated recyclable item, as described in section
172 22a-241b, for sale to distributors or dealers or, in the case of private
173 label brands, the owner of the private label trademark;

174 [(8) "Place of business of a dealer" means the fixed location at which
175 a dealer sells or offers for sale beverages in beverage containers to
176 consumers;

177 (9) "Redemption center" means any facility established to redeem
178 empty beverage containers from consumers or to collect and sort
179 empty beverage containers from dealers and to prepare such
180 containers for redemption by the appropriate distributors;]

181 [(10)] (8) "Use or consumption" includes the exercise of any right or
182 power over a beverage or any item contained in or that consists of a
183 designated recyclable item, as described in section 22a-241b, incident
184 to the ownership thereof, other than the sale or the keeping or
185 retention of a beverage or any item contained in or that consists of a
186 designated recyclable item, as described in section 22a-241b, for the
187 purposes of sale; and

188 [(11) "Nonrefillable beverage container" means a beverage container
189 which is not designed to be refilled and reused in its original shape;
190 and]

191 [(12) "Deposit initiator"] (9) "Recycling fee initiator" means the [first
192 distributor to collect the deposit] dealer who collects the recycling fee
193 on a beverage container or any item contained in or that consists of a
194 designated recyclable item, as described in section 22a-241b, sold to
195 any person within this state.

196 Sec. 4. Section 22a-244 of the general statutes is repealed and the
197 following is substituted in lieu thereof (*Effective July 1, 2018*):

198 (a) (1) [Every] For the period beginning July 1, 2018, and ending July
199 1, 2025, every beverage container containing a carbonated beverage
200 sold or offered for sale to a consumer by a dealer in this state, except
201 for any such beverage containers sold or offered for sale for
202 consumption on an interstate passenger carrier and every item
203 contained in or that consists of a designated recyclable item, as
204 described in section 22a-241b, sold or offered for sale to a consumer by

205 a dealer in this state, shall have a [refund value] recycling fee. Such
206 [refund value] recycling fee shall not be less than [five] four cents and
207 shall be a uniform amount throughout the distribution process in this
208 state. (2) [Every] For the period beginning July 1, 2018, and ending July
209 1, 2025, every beverage container containing a noncarbonated beverage
210 sold or offered for sale in this state shall have a [refund value]
211 recycling fee, except for beverage containers containing a
212 noncarbonated beverage that are [(A)] sold or offered for sale for
213 consumption on an interstate passenger carrier, [, or (B) that comprise
214 any dealer's existing inventory as of March 31, 2009. Such refund
215 value] Such recycling fee shall not be less than [five] four cents. [and
216 shall be a uniform amount throughout the distribution process in this
217 state.]

218 [(b) Every beverage container sold or offered for sale in this state,
219 that has a refund value pursuant to subsection (a) of this section, shall
220 clearly indicate by embossing or by a stamp or by a label or other
221 method securely affixed to the beverage container (1) either the refund
222 value of the container or the words "return for deposit" or "return for
223 refund" or other words as approved by the Department of Energy and
224 Environmental Protection, and (2) either the word "Connecticut" or the
225 abbreviation "Ct.", provided this subdivision shall not apply to glass
226 beverage containers permanently marked or embossed with a brand
227 name.]

228 [(c)] (b) No person shall sell or offer for sale in this state any metal
229 beverage container (1) a part of which is designed to be detached in
230 order to open such container, or (2) that is connected to another
231 beverage container by a device constructed of a material which does
232 not decompose by photodegradation, chemical degradation or
233 biodegradation within a reasonable time after exposure to the
234 elements.

235 Sec. 5. Section 22a-245a of the general statutes is repealed and the
236 following is substituted in lieu thereof (*Effective July 1, 2018*):

237 (a) Each [deposit] recycling fee initiator shall open a special interest-
238 bearing account at a Connecticut branch of a financial institution, as
239 defined in section 45a-557a, to the credit of the [deposit] recycling fee
240 initiator. Each [deposit] recycling fee initiator shall deposit in such
241 account an amount equal to the [refund value] recycling fee
242 established pursuant to subsection (a) of section 22a-244, as amended
243 by this act, for each beverage container and each item contained in or
244 that consists of a designated recyclable item, as described in section
245 22a-241b, sold by such [deposit] recycling fee initiator. Such [deposit]
246 recycling fee shall be made not more than one month after the date
247 such beverage container is sold. [, provided for any beverage container
248 sold during the period from December 1, 2008, to December 31, 2008,
249 inclusive, such deposit shall be made not later than January 5, 2009.]
250 All interest, dividends and returns earned on the special account shall
251 be paid directly into such account. Such moneys shall be kept separate
252 and apart from all other moneys in the possession of the [deposit]
253 recycling fee initiator. The amount required to be deposited pursuant
254 to this section, when deposited, shall be held to be a special fund in
255 trust for the state.

256 [(b) (1) Any reimbursement of the refund value for a redeemed
257 beverage container shall be paid from the deposit initiator's special
258 account, with such payment to be computed, subject to the provisions
259 of subdivision (2) of this subsection, under the cash receipts and
260 disbursements method of accounting, as described in Section 446(c)(1)
261 of the Internal Revenue Code of 1986, or any subsequent
262 corresponding Internal Revenue Code of the United States, as
263 amended from time to time.

264 (2) A deposit initiator may petition the Commissioner of Revenue
265 Services for an alternate method of accounting by filing with such
266 deposit initiator's return a statement of objections and other proposed
267 alternate method of accounting, as such deposit initiator believes
268 proper and equitable under the circumstances, that is accompanied by
269 supporting details and proof. The Commissioner of Revenue Services
270 shall promptly notify such deposit initiator whether the proposed

271 alternate method is accepted as reasonable and equitable and, if so
272 accepted, shall adjust such deposit initiator's return and payment of
273 reimbursement accordingly.]

274 [(c)] (b) (1) [Each deposit initiator shall submit a report on March 15,
275 2009, for the period from December 1, 2008, to February 28, 2009,
276 inclusive.] Each [deposit] recycling fee initiator shall submit a report
277 on [July 31, 2009] October 31, 2018, for the period from [March 1, 2009,
278 to June 30, 2009] July 1, 2018, to September 30, 2018, inclusive, and
279 thereafter shall submit a quarterly report for the immediately
280 preceding calendar quarter one month after the close of such quarter.
281 Each such report shall be submitted to the Commissioner of Energy
282 and Environmental Protection, on a form prescribed by the
283 commissioner and with such information as the commissioner deems
284 necessary, including, but not limited to: (A) The balance in the special
285 account at the beginning of the quarter for which the report is
286 prepared; (B) a list of all [deposits] recycling fees credited to such
287 account during such quarter, including all [refund values] recycling
288 fees paid to the [deposit] recycling fee initiator and all interest,
289 dividends or returns received on the account; (C) a list of all
290 withdrawals from such account during such quarter, all service
291 charges and overdraft charges on the account and all payments made
292 pursuant to subsection [(d)] (c) of this section; and (D) the balance in
293 the account at the close of the quarter for which the report is prepared.

294 (2) Each [deposit] recycling fee initiator shall submit a report on
295 October 31, [2010] 2018, for the calendar quarter beginning July 1,
296 [2010] 2018. Subsequently, each [deposit] recycling fee initiator shall
297 submit a quarterly report for the immediately preceding calendar
298 quarter, on or before the last day of the month next succeeding the
299 close of such quarter. Each such report shall be submitted to the
300 Commissioner of Revenue Services, on a form prescribed by the
301 Commissioner of Revenue Services, and with such information as the
302 Commissioner of Revenue Services deems necessary, including, but
303 not limited to, the following information: (A) The balance in the special
304 account at the beginning of the quarter for which the report is

305 prepared, (B) all [deposits] recycling fees credited to such account
306 during such quarter, including all [refund values] recycling fees paid
307 to the [deposit] recycling fee initiator and all interest, dividends or
308 returns received on such account, (C) all withdrawals from such
309 account during such quarter, including all service charges and
310 overdraft charges on such account and all payments made pursuant to
311 subsection [(d)] (c) of this section, and (D) the balance in such account
312 at the close of the quarter for which the report is prepared. Such
313 quarterly report shall be filed electronically with the Commissioner of
314 Revenue Services, in the manner provided by chapter 228g.

315 [(d) (1) On or before April 30, 2009, each deposit initiator shall pay
316 the balance outstanding in the special account that is attributable to the
317 period from December 1, 2008, to March 31, 2009, inclusive, to the
318 Commissioner of Energy and Environmental Protection for deposit in
319 the General Fund. Thereafter, the balance outstanding in the special
320 account that is attributable to the immediately preceding calendar
321 quarter shall be paid by the deposit initiator one month after the close
322 of such quarter to the Commissioner of Energy and Environmental
323 Protection for deposit in the General Fund. If the amount of the
324 required payment pursuant to this subdivision is not paid by the date
325 seven days after the due date, a penalty of ten per cent of the amount
326 due shall be added to the amount due. The amount due shall bear
327 interest at the rate of one and one-half per cent per month or fraction
328 thereof, from the due date. Any such penalty or interest shall not be
329 paid from funds maintained in the special account.]

330 [(2)] (c) On or before October 31, [2010] 2018, each [deposit]
331 recycling fee initiator shall pay the balance outstanding in the special
332 account that is attributable to the period from July 1, [2010] 2018, to
333 September 30, [2010] 2018, inclusive, to the Commissioner of Revenue
334 Services for deposit in the General Fund. Subsequently, the balance
335 outstanding in the special account that is attributable to the
336 immediately preceding calendar quarter shall be paid by the [deposit]
337 recycling fee initiator on or before the last day of the month next
338 succeeding the close of such quarter to the Commissioner of Revenue

339 Services for deposit in the General Fund. The recycling fee initiator
340 shall deduct from each quarterly payment due to the commissioner an
341 amount equal to the recycling fees charged to dealers that are
342 determined to be permanently uncollectable during the preceding
343 calendar quarter. If the amount of the required payment pursuant to
344 this subdivision is not paid on or before the due date, a penalty of ten
345 per cent of the amount due and unpaid, or fifty dollars, whichever is
346 greater, shall be imposed. The amount due and unpaid shall bear
347 interest at the rate of one per cent per month or fraction thereof, from
348 the due date. Any such penalty or interest shall not be paid from funds
349 maintained in such special account. Such required payment shall be
350 made by electronic funds transfer to the Commissioner of Revenue
351 Services, in the manner provided by chapter 228g.

352 [(e) If moneys deposited in the special account are insufficient to
353 pay for withdrawals authorized pursuant to subsection (b) of this
354 section, the amount of such deficiency shall be subtracted from the
355 next succeeding payment or payments due pursuant to subsection (d)
356 of this section until the amount of the deficiency has been subtracted in
357 full.]

358 [(f)] (d) The Commissioner of Revenue Services may examine the
359 accounts and records of any [deposit] recycling fee initiator maintained
360 under this section or [sections] section 22a-243 [to 22a-245, inclusive,]
361 or 22a-244, as amended by this act, and any related accounts and
362 records, including receipts, disbursements and such other items as the
363 Commissioner of Revenue Services deems appropriate.

364 [(g)] (e) The Attorney General may, independently or upon
365 complaint of the Commissioner of Energy and Environmental
366 Protection or the Commissioner of Revenue Services, institute any
367 appropriate action or proceeding to enforce any provision of this
368 section. [or any regulation adopted pursuant to section 22a-245 to
369 implement the provisions of this section.]

370 [(h)] (f) The provisions of sections 12-548, 12-550 to 12-554, inclusive,

371 and 12-555a shall be deemed to apply to the provisions of this section,
372 except any provision of sections 12-548, 12-550 to 12-554, inclusive, and
373 12-555a that is inconsistent with the provision in this section.

374 [(i)] (g) Any payment required pursuant to this section shall be
375 treated as a tax for purposes of sections 12-30b, 12-33a, 12-35a, 12-39g
376 and 12-39h.

377 [(j)] Not later than July 1, 2010, the Department of Energy and
378 Environmental Protection or successor agency shall establish a
379 procedure that allows each such deposit initiator to take a credit
380 against any payment made pursuant to subsection (d) of this section in
381 the amount of the deposits refunded on beverage containers which
382 such deposit initiator donated for any charitable purpose.]

383 Sec. 6. Section 22a-245b of the general statutes is repealed and the
384 following is substituted in lieu thereof (*Effective July 1, 2018*):

385 Any manufacturer who bottles and sells two hundred fifty thousand
386 or fewer beverage containers containing a noncarbonated beverage
387 that are twenty ounces or less in size each calendar year may apply to
388 the Commissioner of Energy and Environmental Protection for an
389 exemption from the requirements of sections 22a-244 [to] and 22a-245a,
390 [inclusive] as amended by this act, with regard to such beverage
391 containers containing noncarbonated beverages. Such application shall
392 be accompanied by a sworn affidavit signed by such manufacturer or
393 such manufacturer's authorized agent certifying such manufacturer
394 bottles and sells two hundred fifty thousand or fewer of such beverage
395 containers per calendar year. [Any such application filed on or before
396 April 1, 2009, shall be deemed automatically approved and such
397 exemption shall remain valid until December 31, 2009.] Not later than
398 [November 1, 2009] October 31, 2018, and each year thereafter, each
399 such manufacturer or such manufacturer's authorized agent may
400 apply to the commissioner for an exemption in accordance with this
401 section on a form prescribed by the commissioner. The commissioner
402 shall approve each such application not later than thirty days after the

403 receipt of the application by the commissioner, provided the applicant
404 satisfies the requirements of this section.

405 Sec. 7. Section 22a-245c of the general statutes is repealed and the
406 following is substituted in lieu thereof (*Effective July 1, 2018*):

407 Any manufacturer, dealer or distributor of beverage containers
408 containing noncarbonated beverages may apply to the Governor or the
409 Secretary of the Office of Policy and Management for a delay in the
410 implementation of the requirements imposed by the provisions of
411 sections 22a-244 [to] and 22a-245a, [inclusive] as amended by this act,
412 with regard to such beverage containers containing noncarbonated
413 beverages. Such application may be on a form prescribed by the
414 Governor or the secretary. The Governor or the secretary may delay
415 the implementation of such requirements upon the showing of undue
416 hardship to the industries affected by such requirements, but in no
417 case shall such requirements be implemented later than October 1,
418 [2009] 2019.

419 Sec. 8. Section 22a-246 of the general statutes is repealed and the
420 following is substituted in lieu thereof (*Effective July 1, 2018*):

421 Any person who violates any provision of section 22a-244 [, 22a-245]
422 or 22a-245a, as amended by this act, shall be fined not less than fifty
423 dollars nor more than one hundred dollars, and for a second offense
424 shall be fined not less than one hundred dollars nor more than two
425 hundred dollars and for a third or subsequent offense shall be fined
426 not less than two hundred fifty dollars or more than five hundred
427 dollars.

428 Sec. 9. Subsection (b) of section 22a-251 of the general statutes is
429 repealed and the following is substituted in lieu thereof (*Effective July*
430 *1, 2018*):

431 (b) The provisions of sections 22a-247 to 22a-249, inclusive, and 22a-
432 250 shall be in addition to and shall not supersede any provision of
433 [sections] section 22a-243 [to 22a-245, inclusive] or 22a-244, as

434 amended by this act.

435 Sec. 10. Subdivision (8) of section 12-407 of the general statutes is
436 repealed and the following is substituted in lieu thereof (*Effective July*
437 *1, 2018*):

438 (8) (A) "Sales price" means the total amount for which tangible
439 personal property is sold by a retailer, the total amount of rent for
440 which occupancy of a room is transferred by an operator, the total
441 amount for which any service described in subdivision (2) of this
442 subsection is rendered by a retailer or the total amount of payment or
443 periodic payments for which tangible personal property is leased by a
444 retailer, valued in money, whether paid in money or otherwise, which
445 amount is due and owing to the retailer or operator and, subject to the
446 provisions of subdivision (1) of section 12-408, whether or not actually
447 received by the retailer or operator, without any deduction on account
448 of any of the following: (i) The cost of the property sold; (ii) the cost of
449 materials used, labor or service cost, interest charged, losses or any
450 other expenses; (iii) for any sale occurring on or after July 1, 1993, any
451 charges by the retailer to the purchaser for shipping or delivery,
452 notwithstanding whether such charges are separately stated in a
453 written contract, or on a bill or invoice rendered to such purchaser or
454 whether such shipping or delivery is provided by the retailer or a third
455 party. The provisions of subparagraph (A) (iii) of this subdivision shall
456 not apply to any item exempt from taxation pursuant to section 12-412.
457 Such total amount includes any services that are a part of the sale;
458 except as otherwise provided in subparagraph (B)(v) or (B)(vi) of this
459 subdivision, any amount for which credit is given to the purchaser by
460 the retailer, and all compensation and all employment-related
461 expenses, whether or not separately stated, paid to or on behalf of
462 employees of a retailer of any service described in subdivision (2) of
463 this subsection.

464 (B) "Sales price" does not include any of the following: (i) Cash
465 discounts allowed and taken on sales; (ii) any portion of the amount
466 charged for property returned by purchasers, which upon rescission of

467 the contract of sale is refunded either in cash or credit, provided the
468 property is returned within ninety days from the date of purchase; (iii)
469 the amount of any tax, not including any manufacturers' or importers'
470 excise tax, imposed by the United States upon or with respect to retail
471 sales whether imposed upon the retailer or the purchaser; (iv) the
472 amount charged for labor rendered in installing or applying the
473 property sold, provided such charge is separately stated and exclusive
474 of such charge for any service rendered within the purview of
475 subparagraph (I) of subdivision (37) of this subsection; (v) unless the
476 provisions of subdivision (4) of section 12-430 or of section 12-430a are
477 applicable, any amount for which credit is given to the purchaser by
478 the retailer, provided such credit is given solely for property of the
479 same kind accepted in part payment by the retailer and intended by
480 the retailer to be resold; (vi) the full face value of any coupon used by a
481 purchaser to reduce the price paid to a retailer for an item of tangible
482 personal property, whether or not the retailer will be reimbursed for
483 such coupon, in whole or in part, by the manufacturer of the item of
484 tangible personal property or by a third party; (vii) the amount
485 charged for separately stated compensation, fringe benefits, workers'
486 compensation and payroll taxes or assessments paid to or on behalf of
487 employees of a retailer who has contracted to manage a service
488 recipient's property or business premises and renders management
489 services described in subparagraph (I) or (J) of subdivision (37) of this
490 subsection, provided, the employees perform such services solely for
491 the service recipient at its property or business premises and "sales
492 price" shall include the separately stated compensation, fringe benefits,
493 workers' compensation and payroll taxes or assessments paid to or on
494 behalf of any employee of the retailer who is an officer, director or
495 owner of more than five per cent of the outstanding capital stock of the
496 retailer. Determination whether an employee performs services solely
497 for a service recipient at its property or business premises for purposes
498 of this subdivision shall be made by reference to such employee's
499 activities during the time period beginning on the later of the
500 commencement of the management contract, the date of the
501 employee's first employment by the retailer or the date which is six

502 months immediately preceding the date of such determination; (viii)
503 the amount charged for separately stated compensation, fringe
504 benefits, workers' compensation and payroll taxes or assessments paid
505 to or on behalf of (I) a leased employee, or (II) a worksite employee by
506 a professional employer organization pursuant to a professional
507 employer agreement. For purposes of this subparagraph, an employee
508 shall be treated as a leased employee if the employee is provided to the
509 client at the commencement of an agreement with an employee leasing
510 organization under which at least seventy-five per cent of the
511 employees provided to the client at the commencement of such initial
512 agreement qualify as leased employees pursuant to Section 414(n) of
513 the Internal Revenue Code of 1986, or any subsequent corresponding
514 internal revenue code of the United States, as from time to time
515 amended, or the employee is added to the client's workforce by the
516 employee leasing organization subsequent to the commencement of
517 such initial agreement and qualifies as a leased employee pursuant to
518 Section 414(n) of said Internal Revenue Code of 1986 without regard to
519 subparagraph (B) of paragraph (2) thereof. A leased employee, or a
520 worksite employee subject to a professional employer agreement, shall
521 not include any employee who is hired by a temporary help service
522 and assigned to support or supplement the workforce of a temporary
523 help service's client; (ix) any amount received by a retailer from a
524 purchaser as the battery deposit that is required to be paid under
525 subsection (a) of section 22a-245h; the [refund value] recycling fee of a
526 beverage container that is required to be paid under subsection (a) of
527 section 22a-244, as amended by this act; or a deposit that is required by
528 law to be paid by the purchaser to the retailer and that is required by
529 law to be refunded to the purchaser by the retailer when the same or
530 similar tangible personal property is delivered as required by law to
531 the retailer by the purchaser, if such amount is separately stated on the
532 bill or invoice rendered by the retailer to the purchaser; and (x) the
533 amount charged for separately stated compensation, fringe benefits,
534 workers' compensation and payroll taxes or assessments paid to a
535 media payroll services company, as defined in this subsection.

536 Sec. 11. (NEW) (*Effective July 1, 2018*) (a) There is established a
537 separate, nonlapsing account within the General Fund, known as the
538 "recycling fee account". The Commissioner of Revenue Services shall
539 credit two cents of every recycling fee received by the commissioner in
540 accordance with the provisions of sections 22a-244 and 22a-245a of the
541 general statutes, as amended by this act, to the recycling fee account.
542 Said account may also receive funds from private or public sources,
543 including the federal government or a municipal government.

544 (b) Within the recycling fee account, there shall be the following
545 subaccounts, the: (1) Collectors' subaccount, (2) tipping fee subaccount,
546 and (3) beverage container and designated recyclable item reuse
547 subaccount. The commissioner shall credit the recycling fees received
548 in the recycling fee account, pursuant to subsection (a) of this section,
549 equally among each of the three subaccounts established pursuant to
550 this subsection.

551 (c) Any funds credited to the collectors' subaccount in accordance
552 with the provisions of subsection (b) of this section shall be utilized to
553 make payments to collectors registered to haul solid waste pursuant to
554 section 22a-220a of the general statutes. Such payments shall be made
555 in a manner that reflects any verifiable increased volume in the
556 number of beverage containers, as defined in section 22a-243 of the
557 general statutes, as amended by this act, that a collector hauls as a
558 result of the provisions of section 12 of this act. The Commissioners of
559 Revenue Services and Energy and Environmental Protection shall
560 determine the terms and amount of any such payment, including, but
561 not limited to, the frequency of any such payments. The Commissioner
562 of Energy and Environmental Protection, in consultation with the
563 Commissioner of Revenue Services, may adopt regulations, in
564 accordance with the provisions of chapter 54 of the general statutes, to
565 implement the provisions of this subsection.

566 (d) Any funds credited to the tipping fee subaccount in accordance
567 with the provisions of subsection (b) of this section shall be utilized to
568 make payments to municipalities that realize an increase in tipping

569 fees paid by such municipalities that are verifiably attributable to the
570 provisions of section 12 of this act. The Commissioners of Revenue
571 Services and Energy and Environmental Protection shall determine the
572 terms and amount of any such payment, including, but not limited to,
573 the frequency of any such payments. The Commissioner of Energy and
574 Environmental Protection, in consultation with the Commissioner of
575 Revenue Services, may adopt regulations, in accordance with the
576 provisions of chapter 54 of the general statutes, to implement the
577 provisions of this subsection. Nothing in this subsection shall be
578 deemed to affect the payment of any grant to a municipality pursuant
579 to section 22a-219b or 22a-219c of the general statutes.

580 (e) Any funds credited to the beverage container and designated
581 recyclable item reuse subaccount in accordance with the provisions of
582 subsection (b) of this section shall be utilized by the Commissioner of
583 Energy and Environmental Protection and the Recycle CT Foundation,
584 Inc. to fund the development of reuses for beverage containers, as
585 defined in section 22a-243 of the general statutes, as amended by this
586 act, and designated recyclable items, as described and recycled in
587 accordance with the provisions of section 22a-241b of the general
588 statutes. Such funds shall be expended to fund research, projects,
589 purposes, including but not limited to, industry and businesses, and
590 other efforts that result in the reuse of such beverage containers and
591 designated recyclable items in this state. The Commissioner of Energy
592 and Environmental Protection, in consultation with the Recycle CT
593 Foundation Council, shall determine the requirements and terms for
594 any funds awarded to any person pursuant to the provisions of this
595 subsection, including, but not limited to, the amount of any funds
596 awarded pursuant to this subsection. In developing such requirements,
597 the commissioner may consult with Connecticut Innovations,
598 Incorporated. Such quasi-public agency shall provide the
599 commissioner with any information that the commissioner determines
600 is necessary for the performance of the commissioner's responsibilities
601 pursuant to this subsection. The Commissioner of Energy and
602 Environmental Protection may adopt regulations in accordance with

603 the provisions of chapter 54 of the general statutes to implement the
 604 provisions of this subsection.

605 Sec. 12. Section 22a-245 of the general statutes is repealed. (*Effective*
 606 *July 1, 2018*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2017</i>	New section
Sec. 2	<i>October 1, 2017</i>	New section
Sec. 3	<i>July 1, 2018</i>	22a-243
Sec. 4	<i>July 1, 2018</i>	22a-244
Sec. 5	<i>July 1, 2018</i>	22a-245a
Sec. 6	<i>July 1, 2018</i>	22a-245b
Sec. 7	<i>July 1, 2018</i>	22a-245c
Sec. 8	<i>July 1, 2018</i>	22a-246
Sec. 9	<i>July 1, 2018</i>	22a-251(b)
Sec. 10	<i>July 1, 2018</i>	12-407(8)
Sec. 11	<i>July 1, 2018</i>	New section
Sec. 12	<i>July 1, 2018</i>	Repealer section