AN ACT CONCERNING SHORT-TERM RENTAL PROPERTIES.

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

Section 1. (NEW) (Effective July 1, 2019) (a) For the purposes of this section and sections 2 to 4, inclusive, of this act:

(1) "Applicant" means a person who files an application with the commissioner pursuant to section 2 of this act;

(2) "Commissioner" means the Commissioner of Consumer Protection;

(3) "Dwelling unit" has the same meaning as provided in section 47a-1 of the general statutes;

(4) "Guest" means an individual, other than the owner, lessee, lessor, sublessee or sublessor of a short-term rental property, who occupies a short-term rental property pursuant to a short-term rental transaction;

(5) "Short-term rental operator" means the owner, lessee or sublessee of a short-term rental property who offers the short-term rental property for occupancy by a guest pursuant to a short-term rental transaction;

(6) "Short-term rental platform" means any platform, including, but not limited to, an Internet web site, that (A) allows a short-term rental operator to offer a dwelling unit, or any portion thereof, for occupancy as a short-term rental property, (B) allows a potential guest to arrange payment for occupancy of a short-term rental property, whether such...
guest pays directly to a short-term rental operator or through the platform, and (C) allows the platform operator to derive revenues from providing or maintaining the services described in this subdivision for a short-term rental property;

(7) "Short-term rental property" means a dwelling unit, or any portion thereof, in this state that is (A) the subject of a short-term rental transaction, and (B) not a hotel, lodging house or bed and breakfast establishment; and

(8) "Short-term rental transaction" means a transaction in which a short-term rental operator offers a short-term rental property for occupancy by a guest through a short-term rental platform for a period of thirty consecutive calendar days or less.

Sec. 2. (NEW) (Effective July 1, 2019) (a) (1) Each short-term rental operator or prospective short-term rental operator shall apply for a license from the commissioner for each dwelling unit that such person intends to operate as a short-term rental property on or after January 1, 2020. Each application for a license, or renewal of a license, pursuant to this subsection shall be made on a form prescribed by the commissioner. The commissioner shall require, as a precondition to issuing or renewing a license pursuant to this subsection, that the applicant submit to the commissioner, in a form and manner prescribed by the commissioner, proof that the applicant:

(A) Maintains a property and casualty insurance policy that contains the minimum provisions prescribed by the Insurance Commissioner pursuant to section 5 of this act;

(B) Provided all notices required by section 3 of this act; and

(C) In the case of an application for renewal of a license under this subsection:

(i) Maintained the insurance coverage described in subparagraph (A) of this subdivision during the two years immediately preceding;
(ii) Paid any and all sales and use taxes due and payable to this state, and any and all taxes due and payable to a municipality pursuant to section 6 of this act, during the two years immediately preceding;

(iii) Provided all notices required by section 3 of this act; and

(iv) Complied with the provisions of any ordinance enacted pursuant to section 7 of this act during the two years immediately preceding.

(2) Each license issued by the commissioner pursuant to this subsection shall expire two years after its issuance. The commissioner may refuse to issue or renew, or may suspend or revoke, any license required by this section if the applicant for such license engages in any conduct prohibited by this section.

(3) Not later than fifteen days after the commissioner issues or renews a license pursuant to this subsection, the commissioner shall send a notice, in a form and manner prescribed by the commissioner, to the Commissioner of Revenue Services disclosing:

(A) The name of the applicant for such license; and

(B) The address of the licensed short-term rental property.

(b) If the commissioner refuses to issue or renew, or suspends or revokes, a license pursuant to subsection (a) of this section, the commissioner shall notify the applicant or short-term rental operator, as applicable, of such decision, the grounds for such decision and of such applicant's or short-term rental operator's right to request a hearing not later than ten days after the date on which the commissioner issued such notice to such applicant. If the applicant or short-term rental operator requests a hearing within such ten-day period, the commissioner shall conduct a hearing concerning such refusal, suspension or revocation in accordance with the provisions of chapter 54 of the general statutes concerning contested cases. The applicant or short-term rental operator may appeal therefrom in
accordance with the provisions of section 4-183 of the general statutes.

(c) The Attorney General, at the request of the commissioner, is authorized to apply in the name of this state to the Superior Court for an order temporarily or permanently restraining and enjoining any short-term rental operator from operating in violation of any provision of sections 1 to 4, inclusive, of this act.

Sec. 3. (NEW) (Effective July 1, 2019) Not later than the day that an applicant files an application with the commissioner pursuant to section 2 of this act, the applicant shall send a notice, in a form and manner prescribed by the commissioner, to the owner, lessor or sublessor of the dwelling unit or short-term rental property that is the subject of such application, and all owners, lessors, lessees, sublessors and sublessees of abutting and adjacent dwelling units, disclosing:

(1) The name of such applicant;

(2) The address of such dwelling unit or short-term rental property; and

(3) That such applicant has filed, or intends to file, such application.

Sec. 4. (NEW) (Effective July 1, 2019) The commissioner may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the provisions of sections 1 to 3, inclusive, of this act.

Sec. 5. (NEW) (Effective July 1, 2019) The Insurance Commissioner shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, prescribing the minimum provisions to be included in all property and casualty policies issued on or after the effective date of such regulations covering a short-term rental property, as such term is defined in section 1 of this act. Such policy shall include liability coverage of not less than one million dollars against claims for bodily injury or death and property damage.

Sec. 6. (NEW) (Effective July 1, 2019) Any municipality may, by vote
of its legislative body or, in a municipality where the legislative body
is a town meeting, by vote of the board of selectmen, levy a tax on each
short-term rental operator operating one or more short-term rental
properties, as both terms are defined in section 1 of this act, within
such municipality, provided such tax shall not exceed an amount that
is equal to six per cent of such short-term rental operator's income
from all short-term rental transactions, as defined in section 1 of this
act, concerning such short-term rental properties during the tax year
for which such tax is levied.

Sec. 7. (NEW) (Effective July 1, 2019) Any municipality may, by vote
of its legislative body or, in a municipality where the legislative body
is a town meeting, by vote of the board of selectmen, limit the number
of days that guests may occupy a short-term rental property during a
calendar year. For the purposes of this section, "guest" and "short-term
rental property" have the same meaning as provided in section 1 of
this act.

Sec. 8. Section 12-407 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2019, and
applicable to sales occurring on or after July 1, 2019):

(a) Whenever used in this chapter:

(1) "Person" means and includes any individual, firm,
copartnership, joint venture, association, association of persons
however formed, social club, fraternal organization, corporation,
limited liability company, foreign municipal electric utility as defined
in section 12-59, estate, trust, fiduciary, receiver, trustee, syndicate, the
United States, this state or any political subdivision thereof or any
group or combination acting as a unit, and any other individual or
officer acting under the authority of any court in this state.

(2) "Sale" and "selling" mean and include:

(A) Any transfer of title, exchange or barter, conditional or
otherwise, in any manner or by any means whatsoever, of tangible
personal property for a consideration;

(B) Any withdrawal, except a withdrawal pursuant to a transaction in foreign or interstate commerce, of tangible personal property from the place where it is located for delivery to a point in this state for the purpose of the transfer of title, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of the property for a consideration;

(C) The producing, fabricating, processing, printing or imprinting of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the producing, fabricating, processing, printing or imprinting, including, but not limited to, sign construction, photofinishing, duplicating and photocopying;

(D) The furnishing and distributing of tangible personal property for a consideration by social clubs and fraternal organizations to their members or others;

(E) The furnishing, preparing, or serving for a consideration of food, meals or drinks;

(F) A transaction whereby the possession of property is transferred but the seller retains the title as security for the payment of the price;

(G) A transfer for a consideration of the title of tangible personal property which has been produced, fabricated or printed to the special order of the customer, or of any publication, including, but not limited to, sign construction, photofinishing, duplicating and photocopying;

(H) A transfer for a consideration of the occupancy of any room or rooms in a hotel, lodging house, bed and breakfast establishment or short-term rental property for a period of thirty consecutive calendar days or less;

(I) The rendering of certain services, as defined in subdivision (37) of this subsection, for a consideration, exclusive of such services
rendered by an employee for the employer;

(J) The leasing or rental of tangible personal property of any kind whatsoever, including, but not limited to, motor vehicles, linen or towels, machinery or apparatus, office equipment and data processing equipment, provided for purposes of this subdivision and the application of sales and use tax to contracts of lease or rental of tangible personal property, the leasing or rental of any motion picture film by the owner or operator of a motion picture theater for purposes of display at such theater shall not constitute a sale within the meaning of this subsection;

(K) The rendering of telecommunications service, as defined in subdivision (26) of this subsection, for a consideration on or after January 1, 1990, exclusive of any such service rendered by an employee for the employer of such employee, subject to the provisions related to telecommunications service in accordance with section 12-407a;

(L) (i) The rendering of community antenna television service, as defined in subdivision (27) of this subsection, for a consideration on or after January 1, 1990, exclusive of any such service rendered by an employee for the employer of such employee. For purposes of this chapter, "community antenna television service" includes service provided by a holder of a certificate of cable franchise authority pursuant to section 16-331p, and service provided by a community antenna television company issued a certificate of video franchise authority pursuant to section 16-331e for any service area in which it was not certified to provide community antenna television service pursuant to section 16-331 on or before October 1, 2007;

(ii) The rendering of certified competitive video service, as defined in subdivision (38) of this subsection, for consideration on or after October 1, 2007, exclusive of any such service rendered by an employee for the employer of such employee;

(M) The transfer for consideration of space or the right to use any space for the purpose of storage or mooring of any noncommercial
vessel, exclusive of dry or wet storage or mooring of such vessel
during the period commencing on the first day of October in any year
to and including the thirty-first day of May of the next succeeding
year;

(N) The sale for consideration of naming rights to any place of
amusement, entertainment or recreation within the meaning of
subdivision (3) of section 12-540;

(O) The transfer for consideration of a prepaid telephone calling
service, as defined in subdivision (34) of this subsection, and the
recharge of a prepaid telephone calling service, provided, if the sale or
recharge of a prepaid telephone calling service does not take place at
the retailer's place of business and an item is shipped by the retailer to
the customer, the sale or recharge shall be deemed to take place at the
customer's shipping address, but, if such sale or recharge does not take
place at the retailer's place of business and no item is shipped by the
retailer to the customer, the sale or recharge shall be deemed to take
place at the customer's billing address or the location associated with
the customer's mobile telephone number; and

(P) The furnishing by any person, for a consideration, of space for
storage of tangible personal property when such person is engaged in
the business of furnishing such space, but "sale" and "selling" do not
mean or include the furnishing of space which is used by a person for
residential purposes. As used in this subparagraph, "space for storage"
means secure areas, such as rooms, units, compartments or containers,
whether accessible from outside or from within a building, that are
designated for the use of a customer, where the customer can store and
retrieve property, including self-storage units, mini-storage units and
areas by any other name to which the customer has either unlimited
free access or free access within reasonable business hours or upon
reasonable notice to the service provider to add or remove property,
but does not mean the rental of an entire building, such as a
warehouse. For purposes of this subparagraph, furnishing space for
storage shall not include general warehousing and storage, where the
warehouse typically handles, stores and retrieves a customer's property using the warehouse's staff and equipment and does not allow the customer free access to the storage space and shall not include accepting specific items of property for storage, such as clothing at a dry cleaning establishment or golf bags at a golf club.

(3) (A) "Retail sale" or "sale at retail" means and includes a sale for any purpose other than resale in the regular course of business of tangible personal property or a transfer for a consideration of the occupancy of any room or rooms in a hotel, lodging house, bed and breakfast establishment or short-term rental property for a period of thirty consecutive calendar days or less, or the rendering of any service described in subdivision (2) of this subsection. The delivery in this state of tangible personal property by an owner or former owner thereof or by a factor, if the delivery is to a consumer pursuant to a retail sale made by a retailer not engaged in business in this state, is a retail sale in this state by the person making the delivery. Such person shall include the retail selling price of the property in such person's gross receipts.

(B) "Retail sale" or "sale at retail" does not include any sale of any tangible personal property, where, no later than one hundred twenty days after the original sale, the original purchaser sells or becomes contractually obligated to sell such property to a retailer who is contractually obligated to lease such property back to such original purchaser in a lease that is taxable under this chapter or the sale of such property by the original purchaser to the retailer who is contractually obligated to lease such property back to such original purchaser in a lease that is taxable under this chapter. If the original purchaser has paid sales or use tax on the original sale of such property to the original purchaser, such original purchaser may (i) claim a refund of such tax under the provisions of section 12-425, upon presentation of proof satisfactory to the commissioner that the mutual contractual obligations described in this subparagraph were undertaken no later than one hundred twenty days after the original sale and that such tax was paid to the original retailer on the original
sale and was remitted to the commissioner by such original retailer or
by such original purchaser, or (ii) issue at the time of such original sale
or no later than one hundred twenty days thereafter a certificate, in the
form prescribed by the commissioner, to the original retailer certifying
that the mutual contractual obligations described in this subparagraph
have been undertaken. If such certificate is issued to the original
retailer at the time of the original sale, no tax on the original sale shall
be collected by the original retailer from the original purchaser. If the
certificate is issued after the time of the original sale but no later than
one hundred twenty days thereafter, the original retailer shall refund
to the original purchaser the tax collected on the original sale and, if
the original retailer has previously remitted the tax to the
commissioner, the original retailer may either treat the amount so
refunded as a credit against the tax due on the return next filed under
this chapter, or claim a refund under section 12-425. If such certificate
is issued no later than one hundred twenty days after the time of the
original sale but the tangible personal property originally purchased is
not, in fact, subsequently leased by the original purchaser, such
original purchaser shall be liable for and be required to pay the tax due
on the original sale.

(4) "Storage" includes any keeping or retention in this state for any
purpose except sale in the regular course of business or subsequent use
solely outside this state of tangible personal property purchased from
a retailer.

(5) "Use" includes the exercise of any right or power over tangible
personal property incident to the ownership of that property, except
that it does not include the sale of that property in the regular course
of business.

(6) "Storage" and "use" do not include (A) keeping, retaining or
exercising any right or power over tangible personal property shipped
or brought into this state for the purpose of subsequently transporting
it outside the state for use thereafter solely outside the state, or for the
purpose of being processed, fabricated or manufactured into, attached
to or incorporated into, other tangible personal property to be transported outside the state and thereafter used solely outside the state, or (B) keeping, retaining or exercising any right or power over tangible personal property acquired by the customer of a commercial printer while such property is located at the premises of the commercial printer in this state pursuant to a contract with such printer for printing and distribution of printed material if the commercial printer could have acquired such property without application of tax under this chapter.

(7) "Purchase" and "purchasing" means and includes: (A) Any transfer, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property or of the occupancy of any room or rooms in a hotel, lodging house, bed and breakfast establishment or short-term rental property for a period of thirty consecutive calendar days or less for a consideration; (B) a transaction whereby the possession of property is transferred but the seller retains the title as security for the payment of the price; (C) a transfer for a consideration of tangible personal property which has been produced, fabricated or printed to the special order of the customer, or of any publication; (D) when performed outside this state or when the customer gives a resale certificate pursuant to section 12-410, the producing, fabricating, processing, printing or imprinting of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the producing, fabricating, processing, printing or imprinting; (E) the acceptance or receipt of any service described in any of the subparagraphs of subdivision (2) of this subsection; (F) any leasing or rental of tangible personal property. Wherever in this chapter reference is made to the purchase or purchasing of tangible personal property, it shall be construed to include purchases as described in this subsection.

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

(B) "Sales price" does not include any of the following: (i) Cash discounts allowed and taken on sales; (ii) any portion of the amount charged for property returned by purchasers, which upon rescission of the contract of sale is refunded either in cash or credit, provided the property is returned within ninety days from the date of purchase; (iii) the amount of any tax, not including any manufacturers' or importers' excise tax, imposed by the United States upon or with respect to retail sales whether imposed upon the retailer or the purchaser; (iv) the amount charged for labor rendered in installing or applying the property sold, provided such charge is separately stated and exclusive of such charge for any service rendered within the purview of subparagraph (I) of subdivision (37) of this subsection; (v) unless the
provisions of subdivision (4) of section 12-430 or of section 12-430a are
applicable, any amount for which credit is given to the purchaser by
the retailer, provided such credit is given solely for property of the
same kind accepted in part payment by the retailer and intended by
the retailer to be resold; (vi) the full face value of any coupon used by a
purchaser to reduce the price paid to a retailer for an item of tangible
personal property, whether or not the retailer will be reimbursed for
such coupon, in whole or in part, by the manufacturer of the item of
tangible personal property or by a third party; (vii) the amount
charged for separately stated compensation, fringe benefits, workers'
compensation and payroll taxes or assessments paid to or on behalf of
employees of a retailer who has contracted to manage a service
recipient's property or business premises and renders management
services described in subparagraph (I) or (J) of subdivision (37) of this
subsection, provided, the employees perform such services solely for
the service recipient at its property or business premises and "sales
price" shall include the separately stated compensation, fringe benefits,
workers' compensation and payroll taxes or assessments paid to or on
behalf of any employee of the retailer who is an officer, director or
owner of more than five per cent of the outstanding capital stock of the
retailer. Determination whether an employee performs services solely
for a service recipient at its property or business premises for purposes
of this subdivision shall be made by reference to such employee's
activities during the time period beginning on the later of the
commencement of the management contract, the date of the
employee's first employment by the retailer or the date which is six
months immediately preceding the date of such determination; (viii)
the amount charged for separately stated compensation, fringe
benefits, workers' compensation and payroll taxes or assessments paid
to or on behalf of (I) a leased employee, or (II) a worksite employee by
a professional employer organization pursuant to a professional
employer agreement. For purposes of this subparagraph, an employee
shall be treated as a leased employee if the employee is provided to the
client at the commencement of an agreement with an employee leasing
organization under which at least seventy-five per cent of the
employees provided to the client at the commencement of such initial agreement qualify as leased employees pursuant to Section 414(n) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, or the employee is added to the client's workforce by the employee leasing organization subsequent to the commencement of such initial agreement and qualifies as a leased employee pursuant to Section 414(n) of said Internal Revenue Code of 1986 without regard to subparagraph (B) of paragraph (2) thereof. A leased employee, or a worksite employee subject to a professional employer agreement, shall not include any employee who is hired by a temporary help service and assigned to support or supplement the workforce of a temporary help service's client; (ix) any amount received by a retailer from a purchaser as the battery deposit that is required to be paid under subsection (a) of section 22a-245h; the refund value of a beverage container that is required to be paid under subsection (a) of section 22a-244; or a deposit that is required by law to be paid by the purchaser to the retailer and that is required by law to be refunded to the purchaser by the retailer when the same or similar tangible personal property is delivered as required by law to the retailer by the purchaser, if such amount is separately stated on the bill or invoice rendered by the retailer to the purchaser; and (x) the amount charged for separately stated compensation, fringe benefits, workers' compensation and payroll taxes or assessments paid to a media payroll services company, as defined in this subsection.

(9) (A) "Gross receipts" means the total amount of the sales price from retail sales of tangible personal property by a retailer, the total amount of the rent from transfers of occupancy of rooms by an operator, the total amount of the sales price from retail sales of any service described in subdivision (2) of this subsection by a retailer of services, or the total amount of payment or periodic payments from leases or rentals of tangible personal property by a retailer, valued in money, whether received in money or otherwise, which amount is due and owing to the retailer or operator and, subject to the provisions of subdivision (1) of section 12-408, as amended by this act, whether or
not actually received by the retailer or operator, without any deduction on account of any of the following: (i) The cost of the property sold; however, in accordance with such regulations as the Commissioner of Revenue Services may prescribe, a deduction may be taken if the retailer has purchased property for some other purpose than resale, has reimbursed the retailer's vendor for tax which the vendor is required to pay to the state or has paid the use tax with respect to the property, and has resold the property prior to making any use of the property other than retention, demonstration or display while holding it for sale in the regular course of business. If such a deduction is taken by the retailer, no refund or credit will be allowed to the retailer's vendor with respect to the sale of the property; (ii) the cost of the materials used, labor or service cost, interest paid, losses or any other expense; (iii) for any sale occurring on or after July 1, 1993, except for any item exempt from taxation pursuant to section 12-412, any charges by the retailer to the purchaser for shipping or delivery, notwithstanding whether such charges are separately stated in the written contract, or on a bill or invoice rendered to such purchaser or whether such shipping or delivery is provided by the retailer or a third party. The total amount of the sales price includes any services that are a part of the sale; all receipts, cash, credits and property of any kind; except as otherwise provided in subparagraph (B)(v) or (B)(vi) of this subdivision, any amount for which credit is allowed by the retailer to the purchaser; and all compensation and all employment-related expenses, whether or not separately stated, paid to or on behalf of employees of a retailer of any service described in subdivision (2) of this subsection.

(B) "Gross receipts" do not include any of the following: (i) Cash discounts allowed and taken on sales; (ii) any portion of the sales price of property returned by purchasers, which upon rescission of the contract of sale is refunded either in cash or credit, provided the property is returned within ninety days from the date of sale; (iii) the amount of any tax, not including any manufacturers' or importers' excise tax, imposed by the United States upon or with respect to retail sales whether imposed upon the retailer or the purchaser; (iv) the
amount charged for labor rendered in installing or applying the
property sold, provided such charge is separately stated and exclusive
of such charge for any service rendered within the purview of
subparagraph (I) of subdivision (37) of this subsection; (v) unless the
provisions of subdivision (4) of section 12-430 or of section 12-430a are
applicable, any amount for which credit is given to the purchaser by
the retailer, provided such credit is given solely for property of the
same kind accepted in part payment by the retailer and intended by
the retailer to be resold; (vi) the full face value of any coupon used by a
purchaser to reduce the price paid to the retailer for an item of tangible
personal property, whether or not the retailer will be reimbursed for
such coupon, in whole or in part, by the manufacturer of the item of
tangible personal property or by a third party; (vii) the amount
charged for separately stated compensation, fringe benefits, workers'
compensation and payroll taxes or assessments paid to or on behalf of
employees of a retailer who has contracted to manage a service
recipient's property or business premises and renders management
services described in subparagraph (I) or (J) of subdivision (37) of this
subsection, provided the employees perform such services solely for
the service recipient at its property or business premises and "gross
receipts" shall include the separately stated compensation, fringe
benefits, workers' compensation and payroll taxes or assessments paid
to or on behalf of any employee of the retailer who is an officer,
director or owner of more than five per cent of the outstanding capital
stock of the retailer. Determination whether an employee performs
services solely for a service recipient at its property or business
premises for purposes of this subdivision shall be made by reference to
such employee's activities during the time period beginning on the
later of the commencement of the management contract, the date of the
employee's first employment by the retailer or the date which is six
months immediately preceding the date of such determination; (viii)
the amount charged for separately stated compensation, fringe
benefits, workers' compensation and payroll taxes or assessments paid
to or on behalf of (I) a leased employee, or (II) a worksite employee by
a professional employer organization pursuant to a professional
employer agreement. For purposes of this subparagraph, an employee
shall be treated as a leased employee if the employee is provided to the
client at the commencement of an agreement with an employee leasing
organization under which at least seventy-five per cent of the
employees provided to the client at the commencement of such initial
agreement qualify as leased employees pursuant to Section 414(n) of
the Internal Revenue Code of 1986, or any subsequent corresponding
internal revenue code of the United States, as from time to time
amended, or the employee is added to the client's workforce by the
employee leasing organization subsequent to the commencement of
such initial agreement and qualifies as a leased employee pursuant to
Section 414(n) of said Internal Revenue Code of 1986 without regard to
subparagraph (B) of paragraph (2) thereof. A leased employee, or a
worksite employee subject to a professional employer agreement, shall
not include any employee who is hired by a temporary help service
and assigned to support or supplement the workforce of a temporary
help service's client; (ix) the amount received by a retailer from a
purchaser as the battery deposit that is required to be paid under
subsection (a) of section 22a-256h; the refund value of a beverage
container that is required to be paid under subsection (a) of section
22a-244 or a deposit that is required by law to be paid by the purchaser
to the retailer and that is required by law to be refunded to the
purchaser by the retailer when the same or similar tangible personal
property is delivered as required by law to the retailer by the
purchaser, if such amount is separately stated on the bill or invoice
rendered by the retailer to the purchaser; and (x) the amount charged
for separately stated compensation, fringe benefits, workers' compensation and payroll taxes or assessments paid to a media payroll
services company, as defined in this subsection.

(10) "Business" includes any activity engaged in by any person or
caused to be engaged in by any person with the object of gain, benefit
or advantage, either direct or indirect.

(11) "Seller" includes every person engaged in the business of selling
tangible personal property or rendering any service described in any of
the subparagraphs of subdivision (2) of this subsection, the gross
receipts from the retail sale of which are required to be included in the
measure of the sales tax and every operator as defined in subdivision
(18) of this subsection.

(12) "Retailer" includes:

(A) Every person engaged in the business of making sales at retail or
in the business of making retail sales at auction of tangible personal
property owned by the person or others;

(B) Every person engaged in the business of making sales for
storage, use or other consumption or in the business of making sales at
auction of tangible personal property owned by the person or others
for storage, use or other consumption;

(C) Every operator, as defined in subdivision (18) of this subsection;

(D) Every seller rendering any service described in subdivision (2)
of this subsection;

(E) Every person under whom any salesman, representative,
peddler or canvasser operates in this state, or from whom such
salesman, representative, peddler or canvasser obtains the tangible
personal property that is sold;

(F) Every person with whose assistance any seller is enabled to
solicit orders within this state;

(G) Every person making retail sales from outside this state to a
destination within this state who engages in regular or systematic
solicitation of sales of tangible personal property in this state (i) by the
display of advertisements on billboards or other outdoor advertising in
this state, (ii) by the distribution of catalogs, periodicals, advertising
flyers or other advertising by means of print, radio or television media,
or (iii) by mail, telegraphy, telephone, computer data base, cable, optic,
microwave, Internet or other communication system, for the purpose
of effecting retail sales of tangible personal property, provided such
person has gross receipts of at least two hundred fifty thousand dollars
and made two hundred or more retail sales from outside this state to
destinations within this state during the twelve-month period ended
on the September thirtieth immediately preceding the monthly or
quarterly period with respect to which such person's liability for tax
under this chapter is determined;

(H) Any person owned or controlled, either directly or indirectly, by
a retailer engaged in business in this state which is the same as or
similar to the line of business in which such person so owned or
controlled is engaged;

(I) Any person owned or controlled, either directly or indirectly, by
the same interests that own or control, either directly or indirectly, a
retailer engaged in business in this state which is the same as or similar
to the line of business in which such person so owned or controlled is
engaged;

(J) Any assignee of a person engaged in the business of leasing
tangible personal property to others, where leased property of such
person which is subject to taxation under this chapter is situated
within this state and such assignee has a security interest, as defined in
subdivision (35) of subsection (b) of section 42a-1-201, in such
property;

(K) Every person making retail sales of items of tangible personal
property from outside this state to a destination within this state who
repairs or services such items, under a warranty, in this state, either
directly or indirectly through an agent, independent contractor or
subsidiary;

(L) Every person making sales of tangible personal property or
services through an agreement with another person located in this
state under which such person located in this state, for a commission
or other consideration that is based upon the sale of tangible personal
property or services by the retailer, directly or indirectly refers
potential customers, whether by a link on an Internet web site or
otherwise, to the retailer, provided the cumulative gross receipts from sales by the retailer to customers in the state who are referred to the retailer by all such persons with this type of an agreement with the retailer, is in excess of two hundred fifty thousand dollars during the preceding four quarterly periods ending on the last day of March, June, September and December; and

(M) Any marketplace facilitator, as defined in section 12-408e.

(13) "Tangible personal property" means personal property which may be seen, weighed, measured, felt or touched or which is in any other manner perceptible to the senses including canned or prewritten computer software. Tangible personal property includes the distribution, generation or transmission of electricity.

(14) "In this state" or "in the state" means within the exterior limits of the state of Connecticut and includes all territory within these limits owned by or ceded to the United States of America.

(15) (A) "Engaged in business in the state" means and, to the extent not prohibited by the Constitution of the United States, includes, but shall not be limited to, the following acts or methods of transacting business: (i) Selling in this state, or any activity in this state in connection with selling in this state, tangible personal property for use, storage or consumption within the state; (ii) engaging in the transfer for a consideration of the occupancy of any room or rooms in a hotel, lodging house, [or] bed and breakfast establishment or short-term rental property for a period of thirty consecutive calendar days or less; (iii) rendering in this state any service described in any of the subparagraphs of subdivision (2) of this subsection; (iv) maintaining, occupying or using, permanently or temporarily, directly or indirectly, through a subsidiary or agent, by whatever name called, any office, place of distribution, sales or sample room or place, warehouse or storage point or other place of business or having any representative, agent, salesman, canvasser or solicitor operating in this state for the purpose of selling, delivering or taking orders; (v) notwithstanding the fact that retail sales are made from outside this state to a destination
within this state, engaging in regular or systematic solicitation of sales of tangible personal property in this state by the display of advertisements on billboards or other outdoor advertising in this state, by the distribution of catalogs, periodicals, advertising flyers or other advertising by means of print, radio or television media, or by mail, telegraphy, telephone, computer data base, cable, optic, microwave, Internet or other communication system, for the purpose of effecting retail sales of tangible personal property, provided at least two hundred fifty thousand dollars of gross receipts are received and two hundred or more retail sales from outside this state to destinations within this state are made during the twelve-month period ended on the September thirtieth immediately preceding the monthly or quarterly period with respect to which liability for tax under this chapter is determined; (vi) being owned or controlled, either directly or indirectly, by a retailer engaged in business in this state which is the same as or similar to the line of business in which the retailer so owned or controlled is engaged; (vii) being owned or controlled, either directly or indirectly, by the same interests that own or control, either directly or indirectly, a retailer engaged in business in this state which is the same as or similar to the line of business in which the retailer so owned or controlled is engaged; (viii) being the assignee of a person engaged in the business of leasing tangible personal property to others, where leased property of such person is situated within this state and such assignee has a security interest, as defined in subdivision (35) of subsection (b) of section 42a-1-201, in such property; (ix) notwithstanding the fact that retail sales of items of tangible personal property are made from outside this state to a destination within this state, repairing or servicing such items, under a warranty, in this state, either directly or indirectly through an agent, independent contractor or subsidiary; and (x) selling tangible personal property or services through an agreement with a person located in this state, under which such person located in this state, for a commission or other consideration that is based upon the sale of tangible personal property or services by the retailer, directly or indirectly refers potential customers, whether by a link on an Internet web site or otherwise, to
the retailer, provided the cumulative gross receipts from sales by the
retailer to customers in the state who are referred to the retailer by all
such persons with this type of agreement with the retailer is in excess
of two hundred fifty thousand dollars during the four preceding four
quarterly periods ending on the last day of March, June, September
and December.

(B) A retailer who has contracted with a commercial printer for
printing and distribution of printed material shall not be deemed to be
engaged in business in this state because of the ownership or leasing
by the retailer of tangible or intangible personal property located at the
premises of the commercial printer in this state, the sale by the retailer
of property of any kind produced or processed at and shipped or
distributed from the premises of the commercial printer in this state,
the activities of the retailer's employees or agents at the premises of the
commercial printer in this state, which activities relate to quality
control, distribution or printing services performed by the printer, or
the activities of any kind performed by the commercial printer in this
state for or on behalf of the retailer.

(C) A retailer not otherwise engaged in business in the state who
purchases fulfillment services carried on in this state by a person other
than an affiliated person, or who owns tangible personal property
located on the premises of an unaffiliated person other than a
marketplace facilitator, as defined in section 12-408e, performing
fulfillment services for such retailer, shall not be deemed to be engaged
in business in this state. For purposes of this subparagraph, (i) persons
are affiliated persons with respect to each other where one of such
persons has an ownership interest of more than five per cent, whether
direct or indirect, in the other, or where an ownership interest of more
than five per cent, whether direct or indirect, is held in each of such
persons by another person or by a group of other persons who are
affiliated persons with respect to each other, and (ii) "fulfillment
services" means services that are performed by a person on its
premises on behalf of a purchaser of such services and that involve the
receipt of orders from the purchaser of such services or an agent
thereof, which orders are to be filled by the person from an inventory
of products that are offered for sale by the purchaser of such services,
and the shipment of such orders outside this state to customers of the
purchaser of such services.

(D) A retailer not otherwise engaged in business in this state that
participates in a trade show or shows at the convention center, as
defined in subdivision (3) of section 32-600, shall not be deemed to be
engaged in business in this state, regardless of whether the retailer has
employees or other staff present at such trade shows, provided the
retailer's activity at such trade shows is limited to displaying goods or
promoting services, no sales are made, any orders received are sent
outside this state for acceptance or rejection and are filled from outside
this state, and provided further that such participation is not more
than fourteen days, or part thereof, in the aggregate during the
retailer's income year for federal income tax purposes.

(16) "Hotel" means any building regularly used and kept open as
such for the feeding and lodging of guests where any person who
conducts himself properly and who is able and ready to pay for such
services is received if there are accommodations for such person and
which derives the major portion of its operating receipts from the
renting of rooms and the sale of food. "Hotel" includes any apartment
hotel wherein apartments are rented for fixed periods of time,
furnished or unfurnished, while the keeper of such hotel supplies food
to the occupants thereof, if required, but does not include a bed and
breakfast establishment or short-term rental property.

(17) "Lodging house" means any building or portion of a building,
other than a hotel, an apartment hotel, [or] a bed and breakfast
establishment or a short-term rental property, in which persons are
lodged for hire with or without meals, including, but not limited to,
any motel, motor court, motor inn, tourist court, furnished residence or
similar accommodation; provided the terms "hotel", "apartment hotel",
"lodging house", [and] "bed and breakfast"] "bed and breakfast
establishment" and "short-term rental property" shall not be construed
to include: (A) Privately owned and operated convalescent homes, residential care homes, homes for the infirm, indigent or chronically ill; (B) religious or charitable homes for the aged, infirm, indigent or chronically ill; (C) privately owned and operated summer camps for children; (D) summer camps for children operated by religious or charitable organizations; (E) lodging accommodations at educational institutions; or (F) lodging accommodations at any facility operated by and in the name of any nonprofit charitable organization, provided the income from such lodging accommodations at such facility is not subject to federal income tax.

(18) "Operator" means any person operating a hotel, lodging house, bed and breakfast establishment or short-term rental property in the state, including, but not limited to, the owner or proprietor of such premises, lessee, sublessee, mortgagee in possession, licensee or any other person otherwise operating such hotel, lodging house, bed and breakfast establishment or short-term rental property.

(19) "Occupancy" means the use or possession, or the right to the use or possession, of any room or rooms in a hotel, lodging house, bed and breakfast establishment or short-term rental property, or the right to the use or possession of the furnishings or the services and accommodations accompanying the use and possession of such room or rooms, for the first period of not more than thirty consecutive calendar days.

(20) "Room" means any room or rooms of any kind in any part or portion of a hotel, lodging house, bed and breakfast establishment or short-term rental property let out for use or possession for lodging purposes.

(21) "Rent" means the consideration received for occupancy and any meals included with such occupancy, valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature, and also any amount for which credit is allowed by the operator to the occupant, without any deduction therefrom whatsoever.
(22) "Certificated air carrier" means a person issued a certificate or certificates by the Federal Aviation Administration pursuant to Title 14, Chapter I, Subchapter G, Part 121, 135, 139 or 141 of the Code of Federal Regulations or the Civil Aeronautics Board pursuant to Title 14, Chapter II, Subchapter A, Parts 201 to 208, inclusive, and 298 of the Code of Federal Regulations, as such regulations may hereafter be amended or reclassified.

(23) "Aircraft" means aircraft, as the term is defined in section 15-34.

(24) "Vessel" means vessel, as the term is defined in section 15-127.

(25) "Licensed marine dealer" means a marine dealer, as the term is defined in section 15-141, who has been issued a marine dealer's certificate by the Commissioner of Energy and Environmental Protection.

(26) (A) "Telecommunications service" means the electronic transmission, conveyance or routing of voice, image, data, audio, video or any other information or signals to a point or between or among points. "Telecommunications service" includes such transmission, conveyance or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such service is referred to as a voice over Internet protocol service or is classified by the Federal Communications Commission as enhanced or value added. "Telecommunications service" does not include (i) value-added nonvoice data services, (ii) radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance or routing of such services by the programming service provider. Radio and television audio and video programming services shall include, but not be limited to, cable service as defined in 47 USC 522(6), audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 CFR 20, and video programming service by certified competitive video service providers, (iii) any telecommunications service (I) rendered by a company in control of such service when
rendered for private use within its organization, or (II) used, allocated
or distributed by a company within its organization, including in such
organization affiliates, as defined in section 33-840, for the purpose of
conducting business transactions of the organization if such service is
purchased or leased from a company rendering telecommunications
service and such purchase or lease is subject to tax under this chapter,
(iv) access or interconnection service purchased by a provider of
telecommunications service from another provider of such service for
purposes of rendering such service, provided the purchaser submits to
the seller a certificate attesting to the applicability of this exclusion,
upon receipt of which the seller is relieved of any tax liability for such
sale so long as the certificate is taken in good faith by the seller, (v)
data processing and information services that allow data to be
generated, acquired, stored, processed or retrieved and delivered by
an electronic transmission to a purchaser where such purchaser's
primary purpose for the underlying transaction is the processed data
or information, (vi) installation or maintenance of wiring equipment
on a customer's premises, (vii) tangible personal property, (viii)
advertising, including, but not limited to, directory advertising, (ix)
billing and collection services provided to third parties, (x) Internet
access service, (xi) ancillary services, and (xii) digital products
delivered electronically, including, but not limited to, software, music,
video, reading materials or ring tones.

(B) For purposes of the tax imposed under this chapter (i) gross
receipts from the rendering of telecommunications service shall
include any subscriber line charge or charges as required by the
Federal Communications Commission and any charges for access
service collected by any person rendering such service unless
otherwise excluded from such gross receipts under this chapter, and
such gross receipts from the rendering of telecommunications service
shall also include any charges for vertical service, for the installation or
maintenance of wiring equipment on a customer's premises, and for
directory assistance service; (ii) gross receipts from the rendering of
telecommunications service shall not include any local charge for calls
from public or semipublic telephones; and (iii) gross receipts from the
rendering of telecommunications service shall not include any charge for calls purchased using a prepaid telephone calling service, as defined in subdivision (34) of this subsection.

(27) "Community antenna television service" means (A) the one-way transmission to subscribers of video programming or information by cable, fiber optics, satellite, microwave or any other means, and subscriber interaction, if any, which is required for the selection of such video programming or information, and (B) noncable communications service, as defined in section 16-1, unless such noncable communications service is purchased by a cable network as that term is used in subsection (k) of section 12-218.

(28) "Hospital" means a hospital included within the definition of health care facilities or institutions under section 19a-630 and licensed as a short-term general hospital by the Department of Public Health, but does not include (A) any hospital which, on January 30, 1997, is within the class of hospitals licensed by the department as children's general hospitals, or (B) a short-term acute hospital operated exclusively by the state other than a short-term acute hospital operated by the state as a receiver pursuant to chapter 920.

(29) "Patient care services" means therapeutic and diagnostic medical services provided by the hospital to inpatients and outpatients including tangible personal property transferred in connection with such services.

(30) "Another state" or "other state" means any state of the United States or the District of Columbia excluding the state of Connecticut.

(31) "Professional employer agreement" means a written contract between a professional employer organization and a service recipient whereby the professional employer organization agrees to provide at least seventy-five per cent of the employees at the service recipient's worksite, which contract provides that such worksite employees are intended to be permanent employees rather than temporary employees, and employer responsibilities for such worksite
employees, including hiring, firing and disciplining, are allocated between the professional employer organization and the service recipient.

(32) "Professional employer organization" means any person that enters into a professional employer agreement with a service recipient whereby the professional employer organization agrees to provide at least seventy-five per cent of the employees at the service recipient's worksite.

(33) "Worksite employee" means an employee, the employer responsibilities for which, including hiring, firing and disciplining, are allocated, under a professional employer agreement, between a professional employer organization and a service recipient.

(34) "Prepaid telephone calling service" means the right to exclusively purchase telecommunications service, that must be paid for in advance and that enables the origination of calls using an access number or authorization code, or both, whether manually or electronically dialed, provided the remaining amount of units of service that have been prepaid shall be known on a continuous basis.

(35) "Canned or prewritten software" means all software, other than custom software, that is held or existing for general or repeated sale, license or lease. Software initially developed as custom software for in-house use and subsequently sold, licensed or leased to unrelated third parties shall be considered canned or prewritten software.

(36) "Custom software" means a computer program prepared to the special order of a single customer.

(37) "Services" for purposes of subdivision (2) of this subsection, means:

(A) Computer and data processing services, including, but not limited to, time, programming, code writing, modification of existing programs, feasibility studies and installation and implementation of software programs and systems even where such services are rendered
in connection with the development, creation or production of canned
or custom software or the license of custom software;

(B) Credit information and reporting services;

(C) Services by employment agencies and agencies providing
personnel services;

(D) Private investigation, protection, patrol work, watchman and
armored car services, exclusive of (i) services of off-duty police officers
and off-duty firefighters, and (ii) coin and currency services provided
to a financial services company by or through another financial
services company. For purposes of this subparagraph, "financial
services company" has the same meaning as provided under
subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a)
of section 12-218b;

(E) Painting and lettering services;

(F) Photographic studio services;

(G) Telephone answering services;

(H) Stenographic services;

(I) Services to industrial, commercial or income-producing real
property, including, but not limited to, such services as management,
electrical, plumbing, painting and carpentry, provided
income-producing property shall not include property used
exclusively for residential purposes in which the owner resides and
which contains no more than three dwelling units, or a housing facility
for low and moderate income families and persons owned or operated
by a nonprofit housing organization, as defined in subdivision (29) of
section 12-412;

(J) Business analysis, management, management consulting and
public relations services, excluding (i) any environmental consulting
services, (ii) any training services provided by an institution of higher
education licensed or accredited by the Board of Regents for Higher
Education or Office of Higher Education pursuant to sections 10a-35a
and 10a-34, respectively, and (iii) on and after January 1, 1994, any
business analysis, management, management consulting and public
relations services when such services are rendered in connection with
an aircraft leased or owned by a certificated air carrier or in connection
with an aircraft which has a maximum certificated take-off weight of
six thousand pounds or more;

(K) Services providing "piped-in" music to business or professional
establishments;

(L) Flight instruction and chartering services by a certificated air
carrier on an aircraft, the use of which for such purposes, but for the
provisions of subdivision (4) of section 12-410 and subdivision (12) of
section 12-411, as amended by this act, would be deemed a retail sale
and a taxable storage or use, respectively, of such aircraft by such
carrier;

(M) Motor vehicle repair services, including any type of repair,
painting or replacement related to the body or any of the operating
parts of a motor vehicle;

(N) Motor vehicle parking, including the provision of space, other
than metered space, in a lot having thirty or more spaces, excluding (i)
space in a parking lot owned or leased under the terms of a lease of not
less than ten years' duration and operated by an employer for the
exclusive use of its employees, (ii) space in municipally operated
railroad parking facilities in municipalities located within an area of
the state designated as a severe nonattainment area for ozone under
the federal Clean Air Act or space in a railroad parking facility in a
municipality located within an area of the state designated as a severe
nonattainment area for ozone under the federal Clean Air Act owned
or operated by the state on or after April 1, 2000, (iii) space in a
seasonal parking lot provided by an entity subject to the exemption set
forth in subdivision (1) of section 12-412, and (iv) space in a
municipally owned parking lot;
(O) Radio or television repair services;

(P) Furniture reupholstering and repair services;

(Q) Repair services to any electrical or electronic device, including, but not limited to, equipment used for purposes of refrigeration or air-conditioning;

(R) Lobbying or consulting services for purposes of representing the interests of a client in relation to the functions of any governmental entity or instrumentality;

(S) Services of the agent of any person in relation to the sale of any item of tangible personal property for such person, exclusive of the services of a consignee selling works of art, as defined in subsection (b) of section 12-376c, or articles of clothing or footwear intended to be worn on or about the human body other than (i) any special clothing or footwear primarily designed for athletic activity or protective use and which is not normally worn except when used for the athletic activity or protective use for which it was designed, and (ii) jewelry, handbags, luggage, umbrellas, wallets, watches and similar items carried on or about the human body but not worn on the body, under consignment, exclusive of services provided by an auctioneer;

(T) Locksmith services;

(U) Advertising or public relations services, including layout, art direction, graphic design, mechanical preparation or production supervision, not related to the development of media advertising or cooperative direct mail advertising;

(V) Landscaping and horticulture services;

(W) Window cleaning services;

(X) Maintenance services;

(Y) Janitorial services;
(Z) Exterminating services;

(AA) Swimming pool cleaning and maintenance services;

(BB) Miscellaneous personal services included in industry group 729 in the Standard Industrial Classification Manual, United States Office of Management and Budget, 1987 edition, or U.S. industry 532220, 812191, 812199 or 812990 in the North American Industrial Classification System United States Manual, United States Office of Management and Budget, 1997 edition, exclusive of (i) services rendered by massage therapists licensed pursuant to chapter 384a, and (ii) services rendered by an electrologist licensed pursuant to chapter 388;

(CC) Any repair or maintenance service to any item of tangible personal property including any contract of warranty or service related to any such item;

(DD) Business analysis, management or managing consulting services rendered by a general partner, or an affiliate thereof, to a limited partnership, provided (i) the general partner, or an affiliate thereof, is compensated for the rendition of such services other than through a distributive share of partnership profits or an annual percentage of partnership capital or assets established in the limited partnership's offering statement, and (ii) the general partner, or an affiliate thereof, offers such services to others, including any other partnership. As used in this subparagraph "an affiliate of a general partner" means an entity which is directly or indirectly owned fifty percent or more in common with a general partner;

(EE) Notwithstanding the provisions of section 12-412, except subdivision (87) of said section 12-412, patient care services, as defined in subdivision (29) of this subsection by a hospital, except that "sale" and "selling" does not include such patient care services for which payment is received by the hospital during the period commencing July 1, 2001, and ending June 30, 2003;
(FF) Health and athletic club services, exclusive of (i) any such
services provided without any additional charge which are included in
any dues or initiation fees paid to any such club, which dues or fees
are subject to tax under section 12-543, and (ii) any such services
provided by a municipality or an organization that is described in
Section 501(c) of the Internal Revenue Code of 1986, or any subsequent
corresponding internal revenue code of the United States, as from time
to time amended;

(GG) Motor vehicle storage services, including storage of motor
homes, campers and camp trailers, other than the furnishing of space
as described in subparagraph (P) of subdivision (2) of this subsection;

(HH) Packing and crating services, other than those provided in
connection with the sale of tangible personal property by the retailer of
such property;

(II) Motor vehicle towing and road services, other than motor
vehicle repair services;

(JJ) Intrastate transportation services provided by livery services,
including limousines, community cars or vans, with a driver. Intrastate
transportation services shall not include transportation by taxicab,
motor bus, ambulance or ambulette, scheduled public transportation,
onemergency medical transportation provided under the Medicaid
program, paratransit services provided by agreement or arrangement
with the state or any political subdivision of the state, dial-a-ride
services or services provided in connection with funerals;

(KK) Pet grooming and pet boarding services, except if such services
are provided as an integral part of professional veterinary services,
and pet obedience services;

(LL) Services in connection with a cosmetic medical procedure. For
purposes of this subparagraph, "cosmetic medical procedure" means
any medical procedure performed on an individual that is directed at
improving the individual's appearance and that does not meaningfully
promote the proper function of the body or prevent or treat illness or
disease. "Cosmetic medical procedure" includes, but is not limited to,
cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft
tissue fillers, dermabrasion and chemical peel, laser hair removal, laser
skin resurfacing, laser treatment of leg veins and sclerotherapy.
"Cosmetic medical procedure" does not include reconstructive surgery.
"Reconstructive surgery" includes any surgery performed on abnormal
structures caused by or related to congenital defects, developmental
abnormalities, trauma, infection, tumors or disease, including
procedures to improve function or give a more normal appearance;

(MM) Manicure services, pedicure services and all other nail
services, regardless of where performed, including airbrushing, fills,
full sets, nail sculpting, paraffin treatments and polishes;

(NN) Spa services, regardless of where performed, including body
waxing and wraps, peels, scrubs and facials; and

(OO) Car wash services, including coin-operated car washes.

(38) "Media payroll services company" means a retailer whose
principal business activity is the management and payment of
compensation, fringe benefits, workers' compensation, payroll taxes or
assessments to individuals providing services to an eligible production
company pursuant to section 12-217jj.

(39) "Certified competitive video service" means video
programming service provided through wireline facilities, a portion of
which are located in the public right-of-way, without regard to
delivery technology, including Internet protocol technology. "Certified
competitive video service" does not include any video programming
provided by a commercial mobile service provider, as defined in 47
USC 332(d); any video programming provided as part of community
antenna television service; any video programming provided as part
of, and via, a service that enables users to access content, information,
electronic mail or other services over the Internet.
(40) "Directory assistance" means an ancillary service of providing telephone number information or address information.

(41) "Vertical service" means an ancillary service that is offered in connection with one or more telecommunications services, offering advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including conference bridging services.

(42) "Bed and breakfast establishment" means any private operator-occupied house, other than a hotel, lodging house or short-term rental property, with twelve or fewer rooms in which persons are lodged for hire and a full morning meal is included in the rent.

(43) "Short-term rental property" means any dwelling unit, other than a hotel, lodging house or bed and breakfast establishment, in which a guest is lodged for hire, with or without meals, pursuant to a short-term rental transaction. For the purposes of this subdivision, "dwelling unit", "guest" and "short-term rental transaction" have the same meanings as provided in section 1 of this act.

(b) Wherever in this chapter reference is made to the sale of tangible personal property or services, it shall be construed to include sales described in subdivision (2) of subsection (a) of this section, except as may be specifically provided to the contrary.

Sec. 9. Section 12-408 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019, and applicable to sales occurring on or after July 1, 2019):

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

(B) (i) At a rate of fifteen per cent with respect to each transfer of
occupancy, from the total amount of rent received by a hotel or
lodging house for the first period not exceeding thirty consecutive
calendar days;

(ii) At a rate of eleven per cent with respect to each transfer of
occupancy, from the total amount of rent received by a bed and
breakfast establishment for the first period not exceeding thirty
consecutive calendar days;

(iii) At a rate of five per cent with respect to each transfer of
occupancy to a guest, as defined in section 1 of this act, from the total
amount of rent received by a short-term rental operator, as defined in
section 1 of this act, for the first period not exceeding thirty
consecutive calendar days;

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

(D) (i) With respect to the sales of computer and data processing
services occurring on or after July 1, 2001, at the rate of one per cent,
and (ii) with respect to sales of Internet access services, on and after
July 1, 2001, such services shall be exempt from such tax;
(E) (i) With respect to the sales of labor that is otherwise taxable under subparagraph (C) or (G) of subdivision (2) of subsection (a) of section 12-407, as amended by this act, on existing vessels and repair or maintenance services on vessels occurring on and after July 1, 1999, such services shall be exempt from such tax;

(ii) With respect to the sale of a vessel, a motor for a vessel or a trailer used for transporting a vessel, at the rate of two and ninety-nine-hundredths per cent, except that the sale of a vessel shall be exempt from such tax if such vessel is docked in this state for sixty or fewer days in a calendar year;

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

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

(H) With respect to the sale of (i) a motor vehicle for a sales price exceeding fifty thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, (ii) jewelry, whether real or imitation, for a sales price exceeding five thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, and (iii) an article of clothing or footwear intended to be worn on or about the human body, a handbag, luggage, umbrella, wallet or watch for a sales price exceeding one thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price. For purposes of this subparagraph, "motor vehicle" has the meaning provided in section 14-1, but does not include a motor vehicle subject to the provisions of subparagraph (C) of this subdivision, a motor vehicle having a gross vehicle weight rating over twelve thousand five hundred pounds, or a motor vehicle having a gross vehicle weight rating of twelve thousand five hundred pounds or less that is not used for private passenger purposes, but is designed or used to transport merchandise, freight or persons in
connection with any business enterprise and issued a commercial
registration or more specific type of registration by the Department of
Motor Vehicles;

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

(J) (i) For calendar quarters ending on or after September 30, 2019,
the commissioner shall deposit into the regional planning incentive
account, established pursuant to section 4-66k, six and seven-tenths
per cent of the amounts received by the state from the tax imposed
under [subparagraph (B)] subparagraphs (B)(i) and (B)(ii) of this
subdivision and ten and seven-tenths per cent of the amounts received
by the state from the tax imposed under subparagraph (G) of this
subdivision;

(ii) For calendar quarters ending on or after September 30, 2018, the
commissioner shall deposit into the Tourism Fund established under
section 10-395b ten per cent of the amounts received by the state from
the tax imposed under [subparagraph (B)] subparagraphs (B)(i) and
(B)(ii) of this subdivision;

(K) For calendar months commencing on or after July 1, 2021, the commissioner shall deposit into the municipal revenue sharing account established pursuant to section 4-66/7 seven and nine-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision; and

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

(ii) For calendar months commencing on or after July 1, 2018, but prior to July 1, 2019, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 eight per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the sale of a motor vehicle;

(iii) For calendar months commencing on or after July 1, 2019, but prior to July 1, 2020, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 thirty-three per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the sale of a motor vehicle;

(iv) For calendar months commencing on or after July 1, 2020, but prior to July 1, 2021, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 fifty-six per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the sale of a motor vehicle;

(v) For calendar months commencing on or after July 1, 2021, but prior to July 1, 2022, the commissioner shall deposit into the Special
Transportation Fund established under section 13b-68 seventy-five per
cent of the amounts received by the state from the tax imposed under
subparagraphs (A) and (H) of this subdivision on the sale of a motor
vehicle; [and]

(vi) For calendar months commencing on or after July 1, 2022, the
commissioner shall deposit into the Special Transportation Fund
established under section 13b-68 one hundred per cent of the amounts
received by the state from the tax imposed under subparagraphs (A)
and (H) of this subdivision on the sale of a motor vehicle; and

(vii) For calendar months commencing on or after July 1, 2019, the
commissioner shall deposit into the Housing Trust Fund established
under section 8-336o fifty per cent of the amounts received by the state
from the tax imposed under subparagraph (B)(iii) of this subdivision.

(2) (A) Reimbursement for the tax hereby imposed shall be collected
by the retailer from the consumer and such tax reimbursement, termed
"tax" in this and the following subsections, shall be paid by the
consumer to the retailer and each retailer shall collect from the
consumer the full amount of the tax imposed by this chapter or an
amount equal as nearly as possible or practicable to the average
equivalent thereof. Such tax shall be a debt from the consumer to the
retailer, when so added to the original sales price, and shall be
recoverable at law in the same manner as other debts except as
provided in section 12-432a. The amount of tax reimbursement, when
so collected, shall be deemed to be a special fund in trust for the state
of Connecticut.

(B) Whenever such tax, payable by the consumer (i) with respect to
a charge account or credit sale occurring on or after July 1, 1984, is
remitted by the retailer to the commissioner and such sale as an
account receivable is determined to be worthless and is actually
written off as uncollectible for federal income tax purposes, or (ii) to a
retailer who computes taxable income, for purposes of taxation under
the Internal Revenue Code of 1986, or any subsequent corresponding
internal revenue code of the United States, as from time to time
amended, on the cash basis method of accounting with respect to a sale occurring on or after July 1, 1989, is remitted by the retailer to the commissioner and such sale as an account receivable is determined to be worthless, the amount of such tax remitted may be credited against the tax due on the sales tax return filed by the retailer for the monthly or quarterly period, whichever is applicable, next following the period in which such amount is actually so written off, but in no event shall such credit be allowed later than three years following the date such tax is remitted, unless the credit relates to a period for which a waiver is given pursuant to subsection (g) of section 12-415. The commissioner shall, by regulations adopted in accordance with chapter 54, provide standards for proving any such claim for credit. If any account with respect to which such credit is allowed is thereafter collected by the retailer in whole or in part, the amount so collected shall be included in the sales tax return covering the period in which such collection occurs. The tax applicable in any such case shall be determined in accordance with the rate of sales tax in effect at the time of the original sale.

(C) (i) Any person required to collect tax in accordance with this subsection who demonstrates to the satisfaction of the Commissioner of Revenue Services by July first of any year that, in any two quarterly periods as described in section 12-414, within the most recent four consecutive quarterly periods, such person was a materialman as such term is used in chapter 847, who has at least fifty per cent of such person's sales of building materials to contractors, subcontractors or repairmen for the improvement of real property, and is authorized by said chapter to file a mechanic's lien upon such real property and improvement shall, with respect to such sales made through the quarterly period ending the succeeding June thirtieth, collect tax due on such sales, and on sales to such contractors, subcontractors or repairmen of services described in subdivision (2) of subsection (a) of section 12-407, as amended by this act, with respect to such building materials, for such purpose and made during such July first through June thirtieth period, at the time and to the extent that such person receives the receipts from, or consideration for, such sales from such
contractors, subcontractors or repairmen, provided if such person receives a portion of such receipts or consideration, such person shall collect the tax due on such portion at the time the portion is received.

The taxes imposed by this chapter on such receipts and consideration shall be deemed imposed, solely for purposes of determining when such person is required to collect and pay over such taxes to the commissioner under section 12-414, when such person has received payment of such receipts or consideration in money, or money's worth, from such contractor, subcontractor or repairman. A contractor, subcontractor or repairman who purchases building materials or services from such person pursuant to this subparagraph shall, at the time such contractor, subcontractor or repairman pays any portion of the purchase price, pay to the person the tax due on the portion of the purchase price so paid.

(ii) In the event that a materialman described in this subparagraph factors any portion of such materialman's receivables, such materialman shall be deemed to have received payment of such receipts or consideration in money or money's worth, from the contractor, subcontractor or repairman and shall be required to pay over tax on such sale with the next return due, with a credit against such tax for any tax already paid over with respect to such sale. Any such amount of tax paid over shall be on account of the tax required to be collected on the sale to which it relates and such materialman may take a credit against any tax paid by such contractor, subcontractor or repairman in the future on such sale, to ensure that tax paid over with respect to such sale does not exceed the amount of tax imposed on such sale as if the entire purchase price had been paid at the time of sale.

(iii) A materialman described in this subparagraph who has not collected the tax due on the full purchase price for a sale described in this subparagraph from a contractor, subcontractor or repairman within one year from the date of such sale, shall pay over to the commissioner the tax due on any balance of such full purchase price with such materialman's return for the period which includes the date
which is one year after the date of such sale.

(iv) The commissioner may assess additional tax due with respect to a sale described in this subparagraph not later than three years from the date the tax is required to be paid over to the commissioner pursuant to this subparagraph, and in the case of a wilfully false or fraudulent return with intent to evade the tax, or where no return has been filed such taxpayer shall be subject to the provisions of section 12-428.

(D) In the case of a sale by a producer or wholesaler of newspapers to a vendor who is not otherwise required to obtain a permit under this chapter, such producer or wholesaler shall collect the sales tax on such newspapers at the point of transfer to such vendor. Such tax shall be based on the stated retail price of such newspapers. Such vendor may add an amount to the price of the newspapers equal to the amount paid as sales tax to the producer or wholesaler and such vendor shall not be required to remit such amount to the state.

(3) For the purpose of adding and collecting the tax imposed by this chapter, or an amount equal as nearly as possible or practicable to the average equivalent thereof, by the retailer from the consumer the following bracket system shall be in force and effect as follows:

<table>
<thead>
<tr>
<th>Bracket</th>
<th>Amount of Sale</th>
<th>Amount of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T2</td>
<td>$0.00 to $0.07 inclusive</td>
<td>No Tax</td>
</tr>
<tr>
<td>T3</td>
<td>.08 to .23 inclusive</td>
<td>1 cent</td>
</tr>
<tr>
<td>T4</td>
<td>.24 to .39 inclusive</td>
<td>2 cents</td>
</tr>
<tr>
<td>T5</td>
<td>.40 to .55 inclusive</td>
<td>3 cents</td>
</tr>
<tr>
<td>T6</td>
<td>.56 to .70 inclusive</td>
<td>4 cents</td>
</tr>
<tr>
<td>T7</td>
<td>.71 to .86 inclusive</td>
<td>5 cents</td>
</tr>
<tr>
<td>T8</td>
<td>.87 to 1.02 inclusive</td>
<td>6 cents</td>
</tr>
<tr>
<td>T9</td>
<td>1.03 to 1.18 inclusive</td>
<td>7 cents</td>
</tr>
</tbody>
</table>

On all sales above $1.18, the tax shall be computed at the rate of six and thirty-five-hundredths per cent.
(4) No retailer shall advertise or hold out or state to the public or to any consumer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer or that it will not be added to the sales price of the property sold or that, if added, it or any part thereof will be refunded. Under the provisions of this section, however, a retailer may advertise the sale of tangible personal property by any of the following methods: By stating the sales price alone without reference to the tax; by stating separately the sales price and the amount of tax to be collected thereon; by stating the sales price "plus tax" or "exclusive of tax" or by stating a sales price which includes the tax, together with the words "tax included" or "tax incl."; provided the retailer in the case of all such sales shall maintain his records to show separately the actual price of such sales and the amount of the tax paid thereon; and provided such retailer, if requested, shall furnish the consumer with a sales slip or other like evidence of the sale, showing the tax separately computed thereon. Any person violating any provision of this subsection shall be fined five hundred dollars for each offense.

(5) No retailer shall exhibit or display on his premises any notice, sign or other advertising matter tending to mislead the public in connection with the imposition or collection of the tax. The Commissioner of Revenue Services may approve a form of notice for the purpose of explaining the operation of the tax.

(6) The Commissioner of Revenue Services shall adopt regulations, in accordance with chapter 54, establishing a procedure for determination of qualifications with respect to the reduced rate of sales tax in the case of certain sales of motor vehicles to members of the armed forces as provided in subsection (1) of this section.

(7) For purposes of the tax imposed by this chapter, with respect to toll telephone service paid by inserting coins in coin-operated telephones, the tax shall be computed to the nearest multiple of five cents, except if the tax is midway between multiples of five cents, the next higher multiple shall apply.
Sec. 10. Section 12-411 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2019, and
applicable to sales occurring on or after July 1, 2019):

(I) (A) An excise tax is hereby imposed on the storage, acceptance,
consumption or any other use in this state of tangible personal
property purchased from any retailer for storage, acceptance,
consumption or any other use in this state, the acceptance or receipt of
any services constituting a sale in accordance with subdivision (2) of
subsection (a) of section 12-407, as amended by this act, purchased
from any retailer for consumption or use in this state, or the storage,
acceptance, consumption or any other use in this state of tangible
personal property which has been manufactured, fabricated,
assembled or processed from materials by a person, either within or
without this state, for storage, acceptance, consumption or any other
use by such person in this state, to be measured by the sales price of
materials, at the rate of six and thirty-five hundredths per cent of the
sales price of such property or services, except, in lieu of said rate of six
and thirty-five hundredths per cent;

(B) (i) At a rate of fifteen per cent of the rent paid to a hotel or
lodging house for the first period not exceeding thirty consecutive
calendar days;

(ii) At a rate of eleven per cent of the rent paid to a bed and
breakfast establishment for the first period not exceeding thirty
consecutive calendar days;

(iii) At a rate of five per cent of the rent paid to a short-term rental
operator, as defined in section 1 of this act, for the first period not
exceeding thirty consecutive calendar days;

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

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

(ii) (I) With respect to the storage, acceptance or other use of a vessel
in this state, at the rate of two and ninety-nine-hundredths per cent,
except that such storage, acceptance or other use shall be exempt from
such tax if such vessel is docked in this state for sixty or fewer days in
a calendar year;

(II) With respect to the storage, acceptance or other use of a motor
for a vessel or a trailer used for transporting a vessel in this state, at the
rate of two and ninety-nine-hundredths per cent;

(E) (i) With respect to the acceptance or receipt in this state of
computer and data processing services purchased from any retailer for
consumption or use in this state occurring on or after July 1, 2001, at
the rate of one per cent of such services, and (ii) with respect to the
acceptance or receipt in this state of Internet access services, on and
after July 1, 2001, such services shall be exempt from such tax;

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

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

(H) With respect to the acceptance or receipt in this state of (i) a motor vehicle for a sales price exceeding fifty thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, (ii) jewelry, whether real or imitation, for a sales price exceeding five thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, and (iii) an article of clothing or footwear intended to be worn on or about the human body, a handbag, luggage, umbrella, wallet or watch for a sales price exceeding one thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price. For purposes of this subparagraph, "motor vehicle" has the meaning provided in section 14-1, but does not include a motor vehicle subject to the provisions of subparagraph (C) of this subdivision, a motor vehicle having a gross vehicle weight rating over twelve thousand five hundred pounds, or a motor vehicle having a gross vehicle weight rating of twelve thousand five hundred pounds or less that is not used for private passenger purposes, but is designed or used to transport merchandise, freight or persons in connection with any business enterprise and issued a commercial registration or more specific type of registration by the Department of Motor Vehicles;

(I) (i) For calendar quarters ending on or after September 30, 2019, the commissioner shall deposit into the regional planning incentive account, established pursuant to section 4-66k, six and seven-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (B) subparahraphs (B)(i) and (B)(ii) of this subdivision and ten and seven-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (G) of this subdivision;

(ii) For calendar quarters ending on or after September 30, 2018, the
commissioner shall deposit into the Tourism Fund established under section 10-395b ten per cent of the amounts received by the state from the tax imposed under subparagraphs (B)(i) and (B)(ii) of this subdivision;

(j) For calendar months commencing on or after July 1, 2021, the commissioner shall deposit into said municipal revenue sharing account seven and nine-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision; and

(K) (i) For calendar months commencing on or after July 1, 2017, the commissioner shall deposit into said Special Transportation Fund seven and nine-tenths per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the acceptance or receipt in this state of a motor vehicle;

(ii) For calendar months commencing on or after July 1, 2018, but prior to July 1, 2019, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 eight per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the acceptance or receipt in this state of a motor vehicle;

(iii) For calendar months commencing on or after July 1, 2019, but prior to July 1, 2020, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 thirty-three per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the acceptance or receipt in this state of a motor vehicle;

(iv) For calendar months commencing on or after July 1, 2020, but prior to July 1, 2021, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 fifty-six per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the acceptance or receipt in this state of a motor vehicle;
(v) For calendar months commencing on or after July 1, 2021, but prior to July 1, 2022, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 seventy-five per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the acceptance or receipt in this state of a motor vehicle; [and]

(vi) For calendar months commencing on or after July 1, 2022, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 one hundred per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the acceptance or receipt in this state of a motor vehicle; and

(vii) For calendar months commencing on or after July 1, 2019, the commissioner shall deposit into the Housing Trust Fund established under section 8-336o fifty per cent of the amounts received by the state from the tax imposed under subparagraph (B)(iii) of this subdivision.

(2) Every person storing, accepting, consuming or otherwise using in this state services or tangible personal property purchased from a retailer for storage, acceptance, consumption or any other use in this state and every person storing, accepting, consuming or otherwise using in this state tangible personal property which has been manufactured, fabricated, assembled or processed from materials purchased from a retailer by such person, either within or without this state, for storage, acceptance, consumption or any other use by such person in this state is liable for the tax. Such person's liability is not extinguished until the tax has been paid to this state, except that a receipt from a retailer engaged in business in this state or from a retailer who is authorized by the commissioner, under such regulations as the commissioner may prescribe, to collect the tax and who is, for the purposes of this chapter relating to the use tax, regarded as a retailer engaged in business in this state, given to the purchaser pursuant to subdivision (3) of this section is sufficient to relieve the purchaser from further liability for the tax to which the
receipt refers.

(3) Every retailer engaged in business in this state and making sales of services or of tangible personal property for storage, acceptance, consumption or any other use in this state, not exempted under this chapter, shall, at the time of making a sale or, if the storage, acceptance, consumption or other use is not then taxable hereunder, at the time the storage, acceptance, consumption or use becomes taxable, collect the use tax from the purchaser and give to the purchaser a receipt therefor in the manner and form prescribed by the commissioner. For the purpose of uniformity of tax collection by the retailer the tax brackets set forth in subdivision (3) of section 12-408, as amended by this act, pertaining to the sales tax shall be employed in the computation of the tax imposed by this section.

(4) The tax required to be collected by the retailer constitutes a debt owed to the retailer by the person purchasing tangible personal property or services from such retailer. The amount of tax, when so collected, shall be deemed to be a special fund in trust for the state of Connecticut.

(5) The provisions of subdivision (4) of section 12-408, as amended by this act, pertaining to the sales tax shall apply with equal force to the use tax.

(6) The tax required to be collected by the retailer from the purchaser shall be displayed separately from the list price, the price advertised in the premises, the marked price, or other price on the sales check or other proof of sales.

(7) Any person violating the provisions of subdivision (3), (5) or (6) of this section shall be fined five hundred dollars for each offense.

(8) Every retailer selling services or tangible personal property for storage, acceptance, consumption or any other use in this state shall register with the commissioner and give the name and address of all agents operating in this state, the location of all distribution or sales
houses or offices or other places of business in this state and such other
information as the commissioner may require.

(9) For the purpose of the proper administration of this chapter and
to prevent evasion of the use tax and the duty to collect the use tax, it
shall be presumed that services or tangible personal property sold by
any person for delivery in this state is sold for storage, acceptance,
consumption or other use in this state until the contrary is established.
The burden of proving the contrary is upon the person who makes the
sale unless such person takes from the purchaser a certificate to the
effect that the services or property is purchased for resale.

(10) The certificate relieves the person selling the services or
property from the burden of proof only if taken in good faith from a
person who is engaged in the business of selling services or tangible
personal property and who holds the permit provided for by section
12-409 and who, at the time of purchasing the services or tangible
personal property, intends to sell it in the regular course of business or
is unable to ascertain at the time of purchase whether the service or
property will be sold or will be used for some other purpose.

(11) The certificate shall be signed by and bear the name and
address of the purchaser, shall indicate the number of the permit
issued to the purchaser and shall indicate the general character of the
service or tangible personal property sold by the purchaser in the
regular course of business. The certificate shall be substantially in such
form as the commissioner may prescribe.

(12) (A) If a purchaser who gives a certificate makes any storage or
use of the service or property other than retention, demonstration or
display while holding it for sale in the regular course of business, the
storage or use is taxable as of the time the service or property is first so
stored or used.

(B) Notwithstanding the provisions of subparagraph (A) of this
subdivision, any storage or use by a certificated air carrier of an aircraft
for purposes other than retention, demonstration or display while
holding it for sale in the regular course of business shall not be deemed a taxable storage or use by such carrier as of the time the aircraft is first stored or used by such carrier, irrespective of the classification of such aircraft on the balance sheet of such carrier for accounting and tax purposes.

(13) It shall be presumed that tangible personal property shipped or brought to this state by the purchaser was purchased from a retailer for storage, use or other consumption in this state.

(14) (A) For the purpose of the proper administration of this chapter and to prevent evasion of the use tax, a purchase of any service described in subdivision (37) of subsection (a) of section 12-407, as amended by this act, shall be considered a purchase for resale only if the service to be resold is an integral, inseparable component part of a service described in said subdivision that is to be subsequently sold by the purchaser to an ultimate consumer. The purchaser of the service for resale shall maintain, in such form as the commissioner requires, records that substantiate: (i) From whom the service was purchased and to whom the service was sold; (ii) the purchase price of the service; and (iii) the nature of the service to demonstrate that the service was an integral, inseparable component part of a service described in subdivision (37) of subsection (a) of section 12-407, as amended by this act, that was subsequently sold to a consumer.

(B) Notwithstanding the provisions of subparagraph (A) of this subdivision, no purchase of a service described in subdivision (37) of subsection (a) of section 12-407, as amended by this act, by a purchaser shall be considered a purchase for resale if such service is to be subsequently sold by the purchaser to an ultimate consumer that is affiliated with the purchaser in the manner described in subparagraph (A) of subdivision (62) of section 12-412.

(15) For the purpose of the proper administration of this chapter and to prevent evasion of the use tax, no purchase of any service by a purchaser shall be considered a purchase for resale if such service is to be subsequently sold by the purchaser, without change, to an ultimate
consumer that is affiliated with the purchaser in the manner described in subparagraph (A) of subdivision (62) of section 12-412.

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

<table>
<thead>
<tr>
<th>Section</th>
<th>Effective Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>July 1, 2019</td>
<td>New section</td>
</tr>
<tr>
<td>2</td>
<td>July 1, 2019</td>
<td>New section</td>
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<tr>
<td>3</td>
<td>July 1, 2019</td>
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<td>New section</td>
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<tr>
<td>8</td>
<td>July 1, 2019, and applicable to sales occurring on or after July 1, 2019</td>
<td>12-407</td>
</tr>
<tr>
<td>9</td>
<td>July 1, 2019, and applicable to sales occurring on or after July 1, 2019</td>
<td>12-408</td>
</tr>
<tr>
<td>10</td>
<td>July 1, 2019, and applicable to sales occurring on or after July 1, 2019</td>
<td>12-411</td>
</tr>
</tbody>
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