

History of Sales and Use Tax Exemptions in SB 877

By: Rute Pinho, Chief Analyst
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Issue

Which of the goods or services subject to sales and use tax under SB 877 were once taxable under Connecticut law? Provide a brief legislative history of these exemptions back to 1959.

Taxable Goods and Services under SB 877

Table 1 lists the goods or services subject to sales and use tax under SB 877, indicates whether any of them were previously subject to tax at any point since 1959, and provides a brief legislative history of the exemption.

Table 1: Goods and Services Taxable Under SB 877

<i>Good or Service (§ of SB 877)</i>	<i>Subject to Tax Since 1959?</i>	<i>History Since 1959</i>
Vessel repair or maintenance (§§ 15 & 17)	Yes	Exempted as of July 1, 1999, as part of a three-year phase out that began in 1997 (PA 96-232)
Campground rentals (§§ 15, 17, 23-29)	No	Subjected to tax in 1992, but exempted in 1993 before the tax took effect (PA 92-184 & PA 93-74)
Winter boat storage (§ 18)	Yes	Exempted in 1993; beginning in 2013, “winter storage” period extended from November 1 through April 30 to October 1 through May 31 (PA 93-74 & PA 13-151)

Digital downloads (§§ 19-21)	Yes (but as a computer and data processing service at a reduced rate of 1%)	None
Renovation and repair of income-producing residential property (§ 22)	Yes (partially)	Certain home renovation and repair services subjected to tax in 1991, but phased-out over three years beginning in 1999 (PA 91-3, June Special Session (JSS) & PA 99-173)
Metered parking (§ 22)	No	Explicitly exempted in 1991 (PA 91-3, JSS)
Parking in seasonal lots operated by the state or political subdivisions and municipally owned lots (§ 22)	Yes	Explicitly exempted added in 1991, repealed in 2015, and later reinstated in 2016 (PA 91-3, JSS , PA 15-244 , and PA 16-72 and PA 16-3, May Special Session (MSS) , § 180)
Parking in municipally operated, or state-owned and operated, railroad parking facilities in municipalities located in a designated severe nonattainment area for ozone or space (§ 22)	Yes	Exempted in 1995 and expanded in 2001 to state-owned and operated lots (PA 95-160 & PA 01-6, JSS)
Dry cleaning and laundry services (§§ 22 & 31)	No	None
Massage therapists (§ 22)	Yes	Subjected to tax in 1991 and exempted in 1992 (PA 91-3, JSS , (see miscellaneous personal services), PA 92-202 & PA 92-17, MSS)
Electrology services (§ 22)	Yes	Subjected to tax in 1991 and exempted in 1995 (PA 91-3, JSS , (see miscellaneous personal services) & PA 95-160)
Barber shops and beauty salons (§ 22)	No	None
Animal grooming and boarding services (§ 22)	Yes (partially)	Pet grooming and boarding subjected to tax in 2011 (PA 11-6)
Scenic and sightseeing transportation services (§ 22)	Yes (partially)	Amusement and recreation services subjected to tax in 1991 and exempted in 1993 (as of January 1, 1994)(PA 91-3, JSS , & PA 93-74)
Real estate activities and agents and brokers (§ 22)	No	None
Travel arrangement and reservation services (§ 22)	No	None
Legal services (§ 22)	No	None
Accounting and tax preparation services (§ 22)	Yes (partially)	Tax preparation services subjected to tax in 1991 and exempted in 1995 (PA 91-3, JSS & PA 95-160)
Architectural services (§ 22)	Yes	Subjected to tax in 1989 and exempted in 1991 (PA 89-251 & PA 91-3, JSS)
Engineering services (§ 22)	Yes	Subjected to tax in 1989 and exempted in 1991 (PA 89-251 & PA 91-3, JSS)

Interior design services (§ 22)	Yes	Exempted in 1991 (PA 91-3, JSS)
Veterinary services (§ 22)	No	None
Sports and recreation instruction and industries (§ 22)	Yes	Subjected to tax in 1991 and exempted in 1993 (PA 91-3, JSS , (as part of amusement and recreation services) & PA 93-74)
Amusement and recreation establishments (§ 22)	Yes	Subjected to tax in 1991 and exempted in 1993 (as of January 1, 1994)(PA 91-3, JSS , & PA 93-74)
Waste management and remediation services (§ 22)	Yes (partially)	Currently taxable when provided to industrial, commercial, or income-producing real property
Nonprescription drugs (except for medical marijuana) (§ 30)	Yes	First exempted in 1983 (effective July 1, 1985), subjected to tax in 2011, and exempted again in 2014 (effective April 1, 2015) (PA 83-18, PA 11-6 & PA 14-47)
Trade-in value of motor vehicle, aircraft, farm tractor, snowmobile, and vessel (§ 33)	Yes (partially)	Exemption (which dates back to 1948) originally applied only to motor vehicles; In 1961, it was limited only to CT motor vehicle dealers, but this limitation was eliminated in 1969 after State Supreme Court ruled it unconstitutional. Exemption was extended to farm tractors in 1951, snowmobiles in 1969, vessels in 1973, and aircraft in 1994 (PA 1969, No. 752, PA 73-518, PA 94-4, MSS)
Sales tax free week (§ 68)	Yes	First exempted in 2004, the exemption was limited to items costing less than \$100, rather than \$300, beginning in 2015 (PA 04-218 & PA 15-244)
Safety apparel (§ 69)	Yes	Exempted in 1994 (effective July 1, 1996)(PA 94-4, MSS)
Vegetable seeds (§ 69)	Yes	Exempted in 1997 (PA 97-316)
Bicycle helmets (§ 69)	Yes	Exempted in 1999 (PA 99-173)
Child car seats (§ 69)	Yes	Exempted in 2000 (PA 00-170)
Textbooks (§ 69)	Yes	Exempted in 2000 and expanded in 2005 to include private occupational school textbooks (PA 00-170 & PA 05-251)
Magazines and newspapers (§ 69)	Yes	Exemption was repealed in 2003 (as of April 1, 2003) and then reinstated the same year (as of July 1, 2004)(PA 03-2 & PA 03-1, JSS)
Sales to Connecticut credit unions (§ 69)	Yes	Exempted in 2014, effective July 1, 2016 (PA 14-217)

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