



General Assembly

January Session, 2021

Committee Bill No. 6119

LCO No. 5540



Referred to Committee on COMMERCE

Introduced by:
(CE)

AN ACT CONCERNING ARTS, CULTURE AND TOURISM FUNDING.

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

1 Section 1. Subdivision (1) of section 12-408 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2021*):

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

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

16 days;

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

21 (C) With respect to the sale of a motor vehicle to any individual who
22 is a member of the armed forces of the United States and is on full-time
23 active duty in Connecticut and who is considered, under 50 App USC
24 574, a resident of another state, or to any such individual and the spouse
25 thereof, at a rate of four and one-half per cent of the gross receipts of any
26 retailer from such sales, provided such retailer requires and maintains a
27 declaration by such individual, prescribed as to form by the
28 commissioner and bearing notice to the effect that false statements made
29 in such declaration are punishable, or other evidence, satisfactory to the
30 commissioner, concerning the purchaser's state of residence under 50
31 App USC 574;

32 (D) (i) With respect to the sales of computer and data processing
33 services occurring on or after July 1, 2001, at the rate of one per cent, and
34 (ii) with respect to sales of Internet access services, on and after July 1,
35 2001, such services shall be exempt from such tax;

36 (E) (i) With respect to the sales of labor that is otherwise taxable under
37 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section
38 12-407 on existing vessels and repair or maintenance services on vessels
39 occurring on and after July 1, 1999, such services shall be exempt from
40 such tax;

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

46 (iii) With respect to the sale of dyed diesel fuel, as defined in

47 subsection (d) of section 12-487, sold by a marine fuel dock exclusively
48 for marine purposes, at the rate of two and ninety-nine-hundredths per
49 cent;

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

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

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

75 (I) With respect to the sale of meals, as defined in subdivision (13) of
76 section 12-412, sold by an eating establishment, caterer or grocery store;
77 and spirituous, malt or vinous liquors, soft drinks, sodas or beverages
78 such as are ordinarily dispensed at bars and soda fountains, or in

79 connection therewith; in addition to the tax imposed under
80 subparagraph (A) of this subdivision, at the rate of one per cent;

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

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

105 (ii) For calendar quarters ending on or after September 30, 2018, the
106 commissioner shall deposit into the Arts, Culture and Tourism Fund
107 established under section 10-395b, as amended by this act, ten per cent
108 of the amounts received by the state from the tax imposed under
109 subparagraph (B) of this subdivision, except that for the calendar
110 quarters ending on or after September 30, 2021, but prior to September
111 30, 2022, the commissioner shall deposit into said fund twenty-five per

112 cent of the amounts received by the state from the tax imposed under
113 subparagraph (B) of this subdivision;

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

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

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

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

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

142 (v) For calendar months commencing on or after July 1, 2021, but

143 prior to July 1, 2022, the commissioner shall deposit into the Special
144 Transportation Fund established under section 13b-68 seventy-five per
145 cent of the amounts received by the state from the tax imposed under
146 subparagraphs (A) and (H) of this subdivision on the sale of a motor
147 vehicle; and

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

153 Sec. 2. Subdivision (1) of section 12-411 of the general statutes is
154 repealed and the following is substituted in lieu thereof (*Effective July 1,*
155 *2021*):

156 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
157 consumption or any other use in this state of tangible personal property
158 purchased from any retailer for storage, acceptance, consumption or any
159 other use in this state, the acceptance or receipt of any services
160 constituting a sale in accordance with subdivision (2) of subsection (a)
161 of section 12-407, purchased from any retailer for consumption or use in
162 this state, or the storage, acceptance, consumption or any other use in
163 this state of tangible personal property which has been manufactured,
164 fabricated, assembled or processed from materials by a person, either
165 within or without this state, for storage, acceptance, consumption or any
166 other use by such person in this state, to be measured by the sales price
167 of materials, at the rate of six and thirty-five-hundredths per cent of the
168 sales price of such property or services, except, in lieu of said rate:

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

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

174 calendar days;

175 (C) With respect to the storage, acceptance, consumption or use in
176 this state of a motor vehicle purchased from any retailer for storage,
177 acceptance, consumption or use in this state by any individual who is a
178 member of the armed forces of the United States and is on full-time
179 active duty in Connecticut and who is considered, under 50 App USC
180 574, a resident of another state, or to any such individual and the spouse
181 of such individual at a rate of four and one-half per cent of the sales price
182 of such vehicle, provided such retailer requires and maintains a
183 declaration by such individual, prescribed as to form by the
184 commissioner and bearing notice to the effect that false statements made
185 in such declaration are punishable, or other evidence, satisfactory to the
186 commissioner, concerning the purchaser's state of residence under 50
187 App USC 574;

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

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

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

201 (III) With respect to the storage, acceptance or other use of dyed diesel
202 fuel, as defined in subsection (d) of section 12-487, exclusively for
203 marine purposes, at the rate of two and ninety-nine-hundredths per
204 cent;

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

211 (F) With respect to the acceptance or receipt in this state of patient
212 care services purchased from any retailer for consumption or use in this
213 state for which payment is received by the hospital on or after July 1,
214 1999, and prior to July 1, 2001, at the rate of five and three-fourths per
215 cent and on and after July 1, 2001, such services shall be exempt from
216 such tax;

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

220 (H) With respect to the acceptance or receipt in this state of (i) a motor
221 vehicle for a sales price exceeding fifty thousand dollars, at a rate of
222 seven and three-fourths per cent on the entire sales price, (ii) jewelry,
223 whether real or imitation, for a sales price exceeding five thousand
224 dollars, at a rate of seven and three-fourths per cent on the entire sales
225 price, and (iii) an article of clothing or footwear intended to be worn on
226 or about the human body, a handbag, luggage, umbrella, wallet or
227 watch for a sales price exceeding one thousand dollars, at a rate of seven
228 and three-fourths per cent on the entire sales price. For purposes of this
229 subparagraph, "motor vehicle" has the meaning provided in section 14-
230 1, but does not include a motor vehicle subject to the provisions of
231 subparagraph (C) of this subdivision, a motor vehicle having a gross
232 vehicle weight rating over twelve thousand five hundred pounds, or a
233 motor vehicle having a gross vehicle weight rating of twelve thousand
234 five hundred pounds or less that is not used for private passenger
235 purposes, but is designed or used to transport merchandise, freight or
236 persons in connection with any business enterprise and issued a
237 commercial registration or more specific type of registration by the

238 Department of Motor Vehicles;

239 (I) With respect to the acceptance or receipt in this state of meals, as
240 defined in subdivision (13) of section 12-412, sold by an eating
241 establishment, caterer or grocery store; and spirituous, malt or vinous
242 liquors, soft drinks, sodas or beverages such as are ordinarily dispensed
243 at bars and soda fountains, or in connection therewith; in addition to the
244 tax imposed under subparagraph (A) of this subdivision, at the rate of
245 one per cent;

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

253 (ii) For calendar quarters ending on or after September 30, 2018, the
254 commissioner shall deposit into the Arts, Culture and Tourism Fund
255 established under section 10-395b, as amended by this act, ten per cent
256 of the amounts received by the state from the tax imposed under
257 subparagraph (B) of this subdivision, except that for the calendar
258 quarters ending on or after September 30, 2021, but prior to September
259 30, 2022, the commissioner shall deposit into said fund twenty-five per
260 cent of the amounts received by the state from the tax imposed under
261 subparagraph (B) of this subdivision;

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

266 (L) (i) For calendar months commencing on or after July 1, 2017, the
267 commissioner shall deposit into said Special Transportation Fund seven
268 and nine-tenths per cent of the amounts received by the state from the

269 tax imposed under subparagraph (A) of this subdivision;

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

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

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

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

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

300 Sec. 3. Section 10-395b of the general statutes is repealed and the
301 following is substituted in lieu thereof (*Effective July 1, 2021*):

302 There is established a fund to be known as the "Arts, Culture and
303 Tourism Fund" which shall be a separate, nonlapsing fund. The fund
304 shall contain any moneys required by law to be deposited in the fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	12-408(1)
Sec. 2	<i>July 1, 2021</i>	12-411(1)
Sec. 3	<i>July 1, 2021</i>	10-395b

CE *Joint Favorable*