



General Assembly

January Session, 2021

**Raised Bill No. 6406**

LCO No. 2918



Referred to Committee on HIGHER EDUCATION AND  
EMPLOYMENT ADVANCEMENT

Introduced by:  
(HED)

**AN ACT EXEMPTING WORKFORCE DEVELOPMENT PROGRAMS  
FROM THE SALES TAX.**

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

1 Section 1. Subdivision (37) of subsection (a) of section 12-407 of the  
2 general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective January 1, 2022*):

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

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

13 (B) Credit information and reporting services;

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

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

23 (E) Painting and lettering services;

24 (F) Photographic studio services;

25 (G) Telephone answering services;

26 (H) Stenographic services;

27 (I) Services to industrial, commercial or income-producing real  
28 property, including, but not limited to, such services as management,  
29 electrical, plumbing, painting and carpentry, provided income-  
30 producing property shall not include property used exclusively for  
31 residential purposes in which the owner resides and which contains no  
32 more than three dwelling units, or a housing facility for low and  
33 moderate income families and persons owned or operated by a  
34 nonprofit housing organization, as defined in subdivision (29) of section  
35 12-412;

36 (J) Business analysis, management, management consulting and  
37 public relations services, excluding (i) any environmental consulting  
38 services, (ii) any workforce development or training services provided  
39 by an institution of higher education licensed or accredited by the Board  
40 of Regents for Higher Education or Office of Higher Education pursuant  
41 to sections 10a-35a and 10a-34, respectively, or by a third party to an  
42 employer for the development or training of the employees of such  
43 employer, and (iii) on and after January 1, 1994, any business analysis,

44 management, management consulting and public relations services  
45 when such services are rendered in connection with an aircraft leased or  
46 owned by a certificated air carrier or in connection with an aircraft  
47 which has a maximum certificated take-off weight of six thousand  
48 pounds or more;

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

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

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

59 (N) Motor vehicle parking, excluding space in a parking lot owned or  
60 leased under the terms of a lease of not less than ten years' duration and  
61 operated by an employer for the exclusive use of its employees;

62 (O) Radio or television repair services;

63 (P) Furniture reupholstering and repair services;

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

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

70 (S) Services of the agent of any person in relation to the sale of any  
71 item of tangible personal property for such person, exclusive of the  
72 services of a consignee selling works of art, as defined in subsection (b)

73 of section 12-376c, or articles of clothing or footwear intended to be worn  
74 on or about the human body other than (i) any special clothing or  
75 footwear primarily designed for athletic activity or protective use and  
76 which is not normally worn except when used for the athletic activity or  
77 protective use for which it was designed, and (ii) jewelry, handbags,  
78 luggage, umbrellas, wallets, watches and similar items carried on or  
79 about the human body but not worn on the body, under consignment,  
80 exclusive of services provided by an auctioneer;

81 (T) Locksmith services;

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

86 (V) Landscaping and horticulture services;

87 (W) Window cleaning services;

88 (X) Maintenance services;

89 (Y) Janitorial services;

90 (Z) Exterminating services;

91 (AA) Swimming pool cleaning and maintenance services;

92 (BB) Miscellaneous personal services included in industry group 729  
93 in the Standard Industrial Classification Manual, United States Office of  
94 Management and Budget, 1987 edition, or industry group 532220,  
95 812191, 812199 or 812990 of the North American Industry Classification  
96 System United States Manual, United States Office of Management and  
97 Budget (NAICS), 1997 edition, exclusive of (i) services rendered by  
98 massage therapists licensed pursuant to chapter 384a, and (ii) services  
99 rendered by an electrologist licensed pursuant to chapter 388;

100 (CC) Any repair or maintenance service to any item of tangible

101 personal property including any contract of warranty or service related  
102 to any such item;

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

114 (EE) Notwithstanding the provisions of section 12-412, except  
115 subdivision (87) of said section 12-412, patient care services, as defined  
116 in subdivision (29) of this subsection by a hospital, except that "sale" and  
117 "selling" does not include such patient care services for which payment  
118 is received by the hospital during the period commencing July 1, 2001,  
119 and ending June 30, 2003;

120 (FF) Health and athletic club services, exclusive of (i) any such  
121 services provided without any additional charge which are included in  
122 any dues or initiation fees paid to any such club, which dues or fees are  
123 subject to tax under section 12-543, and (ii) any such services provided  
124 by a municipality or an organization that is described in Section 501(c)  
125 of the Internal Revenue Code of 1986, or any subsequent corresponding  
126 internal revenue code of the United States, as amended from time to  
127 time;

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

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

133 such property;

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

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

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

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

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

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

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

167 (PP) Dry cleaning services and laundry services, excluding coin-  
168 operated services;

169 (QQ) Interior design services described in industry group 54141 of  
170 the NAICS, 2017 edition, as amended from time to time.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>January 1, 2022</i>	12-407(a)(37)
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**Statement of Purpose:**

To exempt services for workforce development and training from the sales tax.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*