



General Assembly

Amendment

January Session, 2021

LCO No. 10534



Offered by:

REP. CANDELORA, 86th Dist.

REP. REBIMBAS, 70th Dist.

REP. DEVLIN, 134th Dist.

REP. ZUPKUS, 89th Dist.

REP. O'DEA, 125th Dist.

REP. FRANCE, 42nd Dist.

REP. PERILLO, 113th Dist.

REP. CHEESEMAN, 37th Dist.

To: House Bill No. 6688

File No.

Cal. No.

"AN ACT CONCERNING A HIGHWAY USE FEE."

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

3 "Section 1. Subdivision (1) of section 12-408 of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective July 1,*
5 *2021, and applicable to sales occurring on or after July 1, 2021*):

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

14 subdivision;

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

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

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

34 (D) (i) With respect to the sales of computer and data processing
35 services occurring on or after July 1, 2001, at the rate of one per cent, and
36 (ii) with respect to sales of Internet access services, on and after July 1,
37 2001, such services shall be exempt from such tax;

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

43 (ii) With respect to the sale of a vessel, a motor for a vessel or a trailer
44 used for transporting a vessel, at the rate of two and ninety-nine-

45 hundredths per cent, except that the sale of a vessel shall be exempt from
46 such tax if such vessel is docked in this state for sixty or fewer days in a
47 calendar year;

48 (iii) With respect to the sale of dyed diesel fuel, as defined in
49 subsection (d) of section 12-487, sold by a marine fuel dock exclusively
50 for marine purposes, at the rate of two and ninety-nine-hundredths per
51 cent;

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

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

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

77 (I) With respect to the sale of meals, as defined in subdivision (13) of
78 section 12-412, sold by an eating establishment, caterer or grocery store;
79 and spirituous, malt or vinous liquors, soft drinks, sodas or beverages
80 such as are ordinarily dispensed at bars and soda fountains, or in
81 connection therewith; in addition to the tax imposed under
82 subparagraph (A) of this subdivision, at the rate of one per cent;

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

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

107 (ii) For calendar quarters ending on or after September 30, 2018, the
108 commissioner shall deposit into the Tourism Fund established under
109 section 10-395b ten per cent of the amounts received by the state from

110 the tax imposed under subparagraph (B) of this subdivision;

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

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

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

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

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

139 (v) For calendar months commencing on or after July 1, 2021, but
140 prior to July 1, 2022, the commissioner shall deposit into the Special

141 Transportation Fund established under section 13b-68 seventy-five per
142 cent of the amounts received by the state from the tax imposed under
143 subparagraphs (A) and (H) of this subdivision on the sale of a motor
144 vehicle; and

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

150 (N) For calendar months commencing on or after July 1, 2021, the
151 commissioner shall deposit into the Special Transportation Fund
152 established under section 13b-68 one hundred per cent of the amounts
153 received by the state from the tax imposed under subparagraph (A) of
154 this subdivision on the sale of motor vehicle repair services, any motor
155 vehicle part and transportation services; and

156 (O) For calendar months commencing on or after July 1, 2021, the
157 commissioner shall deposit into the Special Transportation Fund
158 established under section 13b-68 thirty-two and one-tenths per cent of
159 the amounts received by the state from the tax imposed under
160 subparagraph (G) of this subdivision.

161 Sec. 2. Subdivision (1) of section 12-411 of the general statutes is
162 repealed and the following is substituted in lieu thereof (*Effective July 1,*
163 *2021, and applicable to sales occurring on or after July 1, 2021*):

164 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
165 consumption or any other use in this state of tangible personal property
166 purchased from any retailer for storage, acceptance, consumption or any
167 other use in this state, the acceptance or receipt of any services
168 constituting a sale in accordance with subdivision (2) of subsection (a)
169 of section 12-407, purchased from any retailer for consumption or use in
170 this state, or the storage, acceptance, consumption or any other use in
171 this state of tangible personal property which has been manufactured,
172 fabricated, assembled or processed from materials by a person, either

173 within or without this state, for storage, acceptance, consumption or any
174 other use by such person in this state, to be measured by the sales price
175 of materials, at the rate of six and thirty-five-hundredths per cent of the
176 sales price of such property or services, except, in lieu of said rate:

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

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

183 (C) With respect to the storage, acceptance, consumption or use in
184 this state of a motor vehicle purchased from any retailer for storage,
185 acceptance, consumption or use in this state by any individual who is a
186 member of the armed forces of the United States and is on full-time
187 active duty in Connecticut and who is considered, under 50 App USC
188 574, a resident of another state, or to any such individual and the spouse
189 of such individual at a rate of four and one-half per cent of the sales price
190 of such vehicle, provided such retailer requires and maintains a
191 declaration by such individual, prescribed as to form by the
192 commissioner and bearing notice to the effect that false statements made
193 in such declaration are punishable, or other evidence, satisfactory to the
194 commissioner, concerning the purchaser's state of residence under 50
195 App USC 574;

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

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

205 calendar year;

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

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

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

219 (F) With respect to the acceptance or receipt in this state of patient
220 care services purchased from any retailer for consumption or use in this
221 state for which payment is received by the hospital on or after July 1,
222 1999, and prior to July 1, 2001, at the rate of five and three-fourths per
223 cent and on and after July 1, 2001, such services shall be exempt from
224 such tax;

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

228 (H) With respect to the acceptance or receipt in this state of (i) a motor
229 vehicle for a sales price exceeding fifty thousand dollars, at a rate of
230 seven and three-fourths per cent on the entire sales price, (ii) jewelry,
231 whether real or imitation, for a sales price exceeding five thousand
232 dollars, at a rate of seven and three-fourths per cent on the entire sales
233 price, and (iii) an article of clothing or footwear intended to be worn on
234 or about the human body, a handbag, luggage, umbrella, wallet or
235 watch for a sales price exceeding one thousand dollars, at a rate of seven

236 and three-fourths per cent on the entire sales price. For purposes of this
237 subparagraph, "motor vehicle" has the meaning provided in section 14-
238 1, but does not include a motor vehicle subject to the provisions of
239 subparagraph (C) of this subdivision, a motor vehicle having a gross
240 vehicle weight rating over twelve thousand five hundred pounds, or a
241 motor vehicle having a gross vehicle weight rating of twelve thousand
242 five hundred pounds or less that is not used for private passenger
243 purposes, but is designed or used to transport merchandise, freight or
244 persons in connection with any business enterprise and issued a
245 commercial registration or more specific type of registration by the
246 Department of Motor Vehicles;

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

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

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

265 (K) For calendar months commencing on or after July 1, 2021, the
266 commissioner shall deposit into said municipal revenue sharing account
267 seven and nine-tenths per cent of the amounts received by the state from

268 the tax imposed under subparagraph (A) of this subdivision; and

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

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

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

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

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

297 (vi) For calendar months commencing on or after July 1, 2022, the
298 commissioner shall deposit into the Special Transportation Fund

299 established under section 13b-68 one hundred per cent of the amounts
300 received by the state from the tax imposed under subparagraphs (A)
301 and (H) of this subdivision on the acceptance or receipt in this state of a
302 motor vehicle;

303 (M) For calendar months commencing on or after July 1, 2021, the
304 commissioner shall deposit into the Special Transportation Fund
305 established under section 13b-68 one hundred per cent of the amounts
306 received by the state from the tax imposed under subparagraph (A) of
307 this subdivision on the acceptance or receipt in this state of motor
308 vehicle repair services, any motor vehicle part and transportation
309 services; and

310 (N) For calendar months commencing on or after July 1, 2021, the
311 commissioner shall deposit into the Special Transportation Fund
312 established under section 13b-68 thirty-two and one-tenths per cent of
313 the amounts received by the state from the tax imposed under
314 subparagraph (G) of this subdivision."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021, and applicable to sales occurring on or after July 1, 2021</i>	12-408(1)
Sec. 2	<i>July 1, 2021, and applicable to sales occurring on or after July 1, 2021</i>	12-411(1)