

# Finance, Revenue and Bonding Committee

## JOINT FAVORABLE REPORT

**Bill No.:** House Bill 5401

AN ACT EXEMPTING COVID-19 AT-HOME TEST KITS FROM THE SALES

**Title:** AND USE TAXES.

**Vote Date:** 4/6/2022

**Vote Action:** Joint Favorable

**PH Date:** 3/15/2022

**File No.:** 547

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### **SPONSORS OF BILL:**

#### **Introducers:**

Finance, Revenue and Bonding Committee

#### **Co-Sponsors:**

Representative Gary A. Turco, 27<sup>th</sup> District

Representative Eleni Kavros-DeGraw, 17<sup>th</sup> District

Rep. Larry B. Butler, 72<sup>nd</sup> District

Representative Tony J. Scott, 112<sup>th</sup> District

Representative Devin Carney, 23<sup>rd</sup> District

### **REASONS FOR BILL:**

This bill exempts COVID-19 at home test kits from the sale and use tax. This incentivizes purchase of such test kits, and allows individuals to diagnose the virus early; thereby reducing community transmission.

### **RESPONSE FROM ADMINISTRATION/AGENCY:**

None expressed.

### **NATURE AND SOURCES OF SUPPORT:**

[Connecticut House Republican Caucus](#) supported this bill. Currently, under state statute, COVID-19 at home test kits are subject to the 6.35% sales and use tax. The Connecticut House Republican Caucus stated that both government and employers may mandate that testing for employees is done often, and they believe that it is wrong for government to profit from these mandates. Lastly, Connecticut House Republican caucus highlighted that the state

already exempts various medical supplies and medications from the sales and use tax, and so the caucus asserts that at home test kits should be exempt as well.

[Eric Gjede, Vice President of Public Policy, Connecticut Business Industry Association](#) supported this bill, but suggested that the committee insert a section that would exempt personal protective equipment from the sales tax. Mr. Gjede stated that while exempting COVID-19 at-home test kits and personal protective equipment will have a minimal fiscal impact, it will result in a savings for both individuals and businesses who purchase those items.

[Carlos Gutierrez, Vice President of State Local Government Affairs, Consumer Healthcare Products Association](#) supported this bill, stating that the pandemic illustrated the importance of having over the counter rapid COVID-19 at-home test kits. Having these available allows for individuals to diagnose the virus early, and thereby limiting community spread to others. Mr. Gutierrez explained that these tests provide quick results and can be taken anywhere. Mr. Gutierrez also stated that eliminating the sales tax on these medical devices would make tests more affordable, which would result in encouraging the utilization of these tests early when symptoms first appear. Exempting the sales tax is an important step to finally getting past this historic illness.

#### **NATURE AND SOURCES OF OPPOSITION:**

[David Godbout, Connecticut Resident](#) opposed the bill on the grounds that the current session of the Connecticut General Assembly is illegal, in breach of Article 3, Section 16 of the State Constitution.

**Reported by: Christina Pen**

**Date: 4/21/2022**