

# Finance, Revenue and Bonding Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-6925

AN ACT EXEMPTING CHILDREN'S CLOTHING AND FOOTWEAR, PERSONAL PROTECTIVE EQUIPMENT AND JOB-RELATED AND PERSONNEL TRAINING

**Title:** SERVICES FROM THE SALES AND USE TAXES.

**Vote Date:** 4/19/2023

**Vote Action:** Joint Favorable

**PH Date:** 4/3/2023

**File No.:**

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### **SPONSORS OF BILL:**

Finance, Revenue and Bonding Committee; Senator Kevin Kelly, 21<sup>st</sup> District; Representative Holly Cheeseman, 37<sup>th</sup> District.

### **REASONS FOR BILL:**

This bill would exempt from sales tax: (1) children's clothing and footwear, specifically for the exclusive use of children under age ten; and (2) personal protective equipment (PPE).

It would also exempt all job-related or personnel training services from sales and use tax, rather than just those services provided by higher education institutions. Under Department of Revenue Services regulations, job-related personnel training services that businesses pay to provide to their employees are generally subject to sales tax as business management services.

The proponents of the bill aim to provide tax relief to parents, employers and those who purchase PPE.

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

None expressed.

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

[Eric Gjede, Vice President of Public Policy, Connecticut Business Industry Association \(CBIA\)](#) testified that Connecticut is suffering from a significant workforce shortage. As a result, businesses are spending more resources than ever attempting to attract new workers and provide training to their existing workforce. In fact, according to our last survey, 47% of CBIA

members will make their biggest investment in recruiting, training, and retention of their workforce in the coming year. Given our state's workforce crisis, we support policy that will make it less expensive to provide training to employees. This training not only benefits the employer but provides skills to employees that will benefit their careers and earnings potential.

[Tony Olivero, Connecticut Resident](#) provided general comments requesting that their income and property taxes be cut. They state inflation has been tough.

**NATURE AND SOURCES OF OPPOSITION:**

None expressed.

**Reported by: Ash Northey**

**Date: April 28, 2023**