



General Assembly

Substitute Bill No. 6692

January Session, 2023



AN ACT CONCERNING CERTAIN ARTS, CULTURE AND TOURISM GRANTS.

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

1 Section 1. Section 10-400 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 With respect to arts activities, the Department of Economic and
4 Community Development shall encourage, within the state or in
5 association with other states, or both, participation in, and promotion,
6 development, acceptance and appreciation of, artistic and cultural
7 activities that shall include, but are not limited to, music, theater,
8 dance, painting, sculpture, architecture, literature, films and allied arts
9 and crafts and to this end shall have the following powers: (1) To join
10 or contract with consultants, private patrons, individual artists and
11 ensembles and with institutions, local sponsoring organizations and
12 professional organizations; (2) to enter into contracts to provide grants,
13 loans or advances to individuals, organizations, or institutions, public
14 or private, that are engaged in or plan to engage in artistic and cultural
15 programs or activities within the state, or that are engaged in or plan to
16 engage in the promotion, development, or encouragement of artistic
17 and cultural programs or activities within the state, including, but not
18 limited to, grants or loans to such individuals, organizations or
19 institutions, for the purposes of state-wide marketing, infrastructure or

20 workforce development; (3) to accept, hold and administer, on behalf
21 of the department, in accordance with the provisions of sections 4-28,
22 4-31, 4-31a and 4b-22, real property, personal property, securities,
23 other choses in action and moneys, or any interest therein, and income
24 therefrom, either absolutely or in trust, for any purpose of the
25 department. The department may acquire or receive such property or
26 money for its purposes by the acceptance of state or federal or public
27 or private loans, contributions, gifts, grants, donations, bequests or
28 devises, and the department shall deposit or credit the same in the
29 culture and tourism account established under section 10-395; (4) to
30 establish a nonprofit foundation for the purpose of raising funds from
31 private sources to encourage, within the state or in association with
32 other states, or both, participation in, and promotion, development,
33 acceptance and appreciation of, artistic and cultural activities that shall
34 include, but are not limited to, music, theater, dance, painting,
35 sculpture, architecture, literature, films, heritage, historic preservation,
36 humanities and allied arts and crafts. All funds received by the
37 foundation shall be held in the manner prescribed by sections 4-37e to
38 4-37j, inclusive; and (5) to perform such other acts as may be necessary
39 or appropriate to carry out the objectives and purposes of the
40 department. The General Assembly declares that all activities
41 undertaken in carrying out the policies set forth in this chapter shall be
42 directed toward encouraging and assisting, rather than in any way
43 limiting, the freedom of artistic expression that is essential for the well-
44 being of the arts. Said department shall maintain a survey of public
45 and private facilities engaged within the state in artistic and cultural
46 activities and determine the needs of the citizens of this state and the
47 methods by which existing resources may be utilized, or new resources
48 developed, to fulfill these needs. The department shall maintain a
49 register of Connecticut artists. The name, town of residence and artistic
50 medium of any such artist residing in Connecticut shall be entered in
51 the register by the department upon the artist's request.

52 Sec. 2. Section 10-401 of the general statutes is repealed and the
53 following is substituted in lieu thereof (*Effective July 1, 2023*):

54 The Department of Economic and Community Development shall
55 establish and administer a special incentive grant program to provide
56 financial assistance for artistic and cultural programs and activities
57 pursuant to subdivision (2) of section 10-400, as amended by this act.
58 The department shall identify strategic goals, establish metrics and
59 establish an accountability structure for such grant program. No state
60 funds appropriated to the department for the purposes of said
61 program shall be disbursed unless one-third of the amount of such
62 financial assistance consists of nonfederal funds raised and received by
63 said department.

64 Sec. 3. Section 10-396 of the general statutes is repealed and the
65 following is substituted in lieu thereof (*Effective July 1, 2023*):

66 With respect to tourism activities, the Department of Economic and
67 Community Development shall:

68 (1) Develop, annually update and implement a strategic marketing
69 plan for the national and international promotion of Connecticut as a
70 tourism destination;

71 (2) Develop a Connecticut strategic plan for new tourism products
72 and attractions;

73 (3) Provide marketing and other assistance to the tourism industry;

74 (4) Ensure cooperation among the regional tourism districts;

75 (5) Within available appropriations, maintain, operate and manage
76 the visitor welcome centers in the state;

77 (6) Within available appropriations, develop and administer a grant
78 program to support programs and initiatives of entities primarily
79 engaging in activities relating to the tourism industry;

80 [(6)] (7) Develop and administer a program of challenge grants to
81 encourage innovation and job development, provide incentives for
82 coordinated activity consistent with the strategic marketing plan and

83 stimulate the development of private funds for tourism promotion;
84 [and]

85 [(7)] (8) Subject to available funds, assist municipalities to
86 accommodate tourist attractions within such municipalities or within
87 neighboring or adjoining municipalities; and

88 (9) Establish metrics and an accountability structure for tourism
89 investments made by the state.

90 Sec. 4. Subdivision (1) of section 12-408 of the general statutes is
91 repealed and the following is substituted in lieu thereof (*Effective July*
92 *1, 2023*):

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

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

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

110 (C) With respect to the sale of a motor vehicle to any individual who
111 is a member of the armed forces of the United States and is on full-time
112 active duty in Connecticut and who is considered, under 50 App USC

113 574, a resident of another state, or to any such individual and the
114 spouse thereof, at a rate of four and one-half per cent of the gross
115 receipts of any retailer from such sales, provided such retailer requires
116 and maintains a declaration by such individual, prescribed as to form
117 by the commissioner and bearing notice to the effect that false
118 statements made in such declaration are punishable, or other evidence,
119 satisfactory to the commissioner, concerning the purchaser's state of
120 residence under 50 App USC 574;

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

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

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

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

139 (F) With respect to patient care services for which payment is
140 received by the hospital on or after July 1, 1999, and prior to July 1,
141 2001, at the rate of five and three-fourths per cent and on and after July
142 1, 2001, such services shall be exempt from such tax;

143 (G) With respect to the rental or leasing of a passenger motor

144 vehicle for a period of thirty consecutive calendar days or less, at a rate
145 of nine and thirty-five-hundredths per cent;

146 (H) With respect to the sale of (i) a motor vehicle for a sales price
147 exceeding fifty thousand dollars, at a rate of seven and three-fourths
148 per cent on the entire sales price, (ii) jewelry, whether real or imitation,
149 for a sales price exceeding five thousand dollars, at a rate of seven and
150 three-fourths per cent on the entire sales price, and (iii) an article of
151 clothing or footwear intended to be worn on or about the human body,
152 a handbag, luggage, umbrella, wallet or watch for a sales price
153 exceeding one thousand dollars, at a rate of seven and three-fourths
154 per cent on the entire sales price. For purposes of this subparagraph,
155 "motor vehicle" has the meaning provided in section 14-1, but does not
156 include a motor vehicle subject to the provisions of subparagraph (C)
157 of this subdivision, a motor vehicle having a gross vehicle weight
158 rating over twelve thousand five hundred pounds, or a motor vehicle
159 having a gross vehicle weight rating of twelve thousand five hundred
160 pounds or less that is not used for private passenger purposes, but is
161 designed or used to transport merchandise, freight or persons in
162 connection with any business enterprise and issued a commercial
163 registration or more specific type of registration by the Department of
164 Motor Vehicles;

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

171 (J) The rate of tax imposed by this chapter shall be applicable to all
172 retail sales upon the effective date of such rate, except that a new rate
173 that represents an increase in the rate applicable to the sale shall not
174 apply to any sales transaction wherein a binding sales contract without
175 an escalator clause has been entered into prior to the effective date of
176 the new rate and delivery is made within ninety days after the effective

177 date of the new rate. For the purposes of payment of the tax imposed
178 under this section, any retailer of services taxable under subdivision
179 (37) of subsection (a) of section 12-407, who computes taxable income,
180 for purposes of taxation under the Internal Revenue Code of 1986, or
181 any subsequent corresponding internal revenue code of the United
182 States, as amended from time to time, on an accounting basis that
183 recognizes only cash or other valuable consideration actually received
184 as income and who is liable for such tax only due to the rendering of
185 such services may make payments related to such tax for the period
186 during which such income is received, without penalty or interest,
187 without regard to when such service is rendered;

188 (K) (i) For calendar quarters ending on or after September 30, 2019,
189 the commissioner shall deposit into the regional planning incentive
190 account, established pursuant to section 4-66k, six and seven-tenths
191 per cent of the amounts received by the state from the tax imposed
192 under subparagraph (B) of this subdivision and ten and seven-tenths
193 per cent of the amounts received by the state from the tax imposed
194 under subparagraph (G) of this subdivision;

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

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

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

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

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

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

227 (v) For calendar months commencing on or after July 1, 2021, but
228 prior to July 1, 2022, the commissioner shall deposit into the Special
229 Transportation Fund established under section 13b-68 seventy-five per
230 cent of the amounts received by the state from the tax imposed under
231 subparagraphs (A) and (H) of this subdivision on the sale of a motor
232 vehicle; and

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

238 (N) For calendar months commencing on or after July 1, 2023, the
239 commissioner shall deposit into the arts, culture and tourism account,
240 established pursuant to section 6 of this act, twenty-five per cent of the

241 amount received by the state from the tax imposed under
242 subparagraph (I) of this subdivision.

243 Sec. 5. Subdivision (1) of section 12-411 of the general statutes is
244 repealed and the following is substituted in lieu thereof (*Effective July*
245 *1, 2023*):

246 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
247 consumption or any other use in this state of tangible personal
248 property purchased from any retailer for storage, acceptance,
249 consumption or any other use in this state, the acceptance or receipt of
250 any services constituting a sale in accordance with subdivision (2) of
251 subsection (a) of section 12-407, purchased from any retailer for
252 consumption or use in this state, or the storage, acceptance,
253 consumption or any other use in this state of tangible personal
254 property which has been manufactured, fabricated, assembled or
255 processed from materials by a person, either within or without this
256 state, for storage, acceptance, consumption or any other use by such
257 person in this state, to be measured by the sales price of materials, at
258 the rate of six and thirty-five-hundredths per cent of the sales price of
259 such property or services, except, in lieu of said rate:

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

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

266 (C) With respect to the storage, acceptance, consumption or use in
267 this state of a motor vehicle purchased from any retailer for storage,
268 acceptance, consumption or use in this state by any individual who is a
269 member of the armed forces of the United States and is on full-time
270 active duty in Connecticut and who is considered, under 50 App USC
271 574, a resident of another state, or to any such individual and the
272 spouse of such individual at a rate of four and one-half per cent of the

273 sales price of such vehicle, provided such retailer requires and
274 maintains a declaration by such individual, prescribed as to form by
275 the commissioner and bearing notice to the effect that false statements
276 made in such declaration are punishable, or other evidence,
277 satisfactory to the commissioner, concerning the purchaser's state of
278 residence under 50 App USC 574;

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

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

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

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

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

302 (F) With respect to the acceptance or receipt in this state of patient
303 care services purchased from any retailer for consumption or use in

304 this state for which payment is received by the hospital on or after July
305 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths
306 per cent and on and after July 1, 2001, such services shall be exempt
307 from such tax;

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

311 (H) With respect to the acceptance or receipt in this state of (i) a
312 motor vehicle for a sales price exceeding fifty thousand dollars, at a
313 rate of seven and three-fourths per cent on the entire sales price, (ii)
314 jewelry, whether real or imitation, for a sales price exceeding five
315 thousand dollars, at a rate of seven and three-fourths per cent on the
316 entire sales price, and (iii) an article of clothing or footwear intended to
317 be worn on or about the human body, a handbag, luggage, umbrella,
318 wallet or watch for a sales price exceeding one thousand dollars, at a
319 rate of seven and three-fourths per cent on the entire sales price. For
320 purposes of this subparagraph, "motor vehicle" has the meaning
321 provided in section 14-1, but does not include a motor vehicle subject
322 to the provisions of subparagraph (C) of this subdivision, a motor
323 vehicle having a gross vehicle weight rating over twelve thousand five
324 hundred pounds, or a motor vehicle having a gross vehicle weight
325 rating of twelve thousand five hundred pounds or less that is not used
326 for private passenger purposes, but is designed or used to transport
327 merchandise, freight or persons in connection with any business
328 enterprise and issued a commercial registration or more specific type
329 of registration by the Department of Motor Vehicles;

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

337 (J) (i) For calendar quarters ending on or after September 30, 2019,
338 the commissioner shall deposit into the regional planning incentive
339 account, established pursuant to section 4-66k, six and seven-tenths
340 per cent of the amounts received by the state from the tax imposed
341 under subparagraph (B) of this subdivision and ten and seven-tenths
342 per cent of the amounts received by the state from the tax imposed
343 under subparagraph (G) of this subdivision;

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

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

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

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

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

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

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

381 (vi) For calendar months commencing on or after July 1, 2022, the
382 commissioner shall deposit into the Special Transportation Fund
383 established under section 13b-68 one hundred per cent of the amounts
384 received by the state from the tax imposed under subparagraphs (A)
385 and (H) of this subdivision on the acceptance or receipt in this state of
386 a motor vehicle; [.] and

387 (M) For calendar months commencing on or after July 1, 2023, the
388 commissioner shall deposit into the arts, culture and tourism account,
389 established pursuant to section 6 of this act, twenty-five per cent of the
390 amount received by the state from the tax imposed under
391 subparagraph (I) of this subdivision.

392 Sec. 6. (NEW) (Effective July 1, 2023) There is established an account
393 to be known as the "arts, culture and tourism account" which shall be a
394 separate, nonlapsing account within the General Fund. The account
395 shall contain any moneys required by law to be deposited in the
396 account. Moneys in the account shall be expended by the Department
397 of Economic and Community Development for the purpose of
398 providing grants pursuant to subdivision (6) of section 10-396 of the
399 general statutes, as amended by this act, and subdivision (2) of section
400 10-400 of the general statutes, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	10-400
Sec. 2	<i>July 1, 2023</i>	10-401
Sec. 3	<i>July 1, 2023</i>	10-396
Sec. 4	<i>July 1, 2023</i>	12-408(1)
Sec. 5	<i>July 1, 2023</i>	12-411(1)
Sec. 6	<i>July 1, 2023</i>	New section

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Joint Favorable Subst. C/R

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