



General Assembly

February Session, 2024

**Raised Bill No. 5490**

LCO No. 2336



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

**AN ACT CONCERNING THE THRESHOLD FOR THE DUES TAX, THE SALES AND USE TAXES TREATMENT OF CERTAIN MOTOR VEHICLES AND THE DEDICATION OF A PORTION OF THE REVENUE GENERATED FROM MEALS SOLD BY AN EATING ESTABLISHMENT, CATERER OR GROCERY STORE.**

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

1 Section 1. Section 12-543 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2024*):

3 (a) There is hereby imposed a tax equivalent to ten per cent of any  
4 amount paid as dues or initiation fees to any social, athletic or sporting  
5 club. Such tax shall be imposed upon the club receiving such amounts.  
6 Reimbursement for such tax shall be collected by the club from the  
7 member. Such reimbursement, termed "tax", shall be paid by the  
8 member to the club charging the dues or initiation fees. Such tax, when  
9 added to the amounts charged, shall be a debt from the member to the  
10 club charging such amounts and shall be recoverable at law. The  
11 amount of tax reimbursement, when so collected, shall be deemed to be  
12 a special fund in trust for the state, [of Connecticut.]

13 (b) The following shall be exempt from the dues tax:

14 (1) A club [shall be exempt from the dues tax] if the annual dues of a  
15 member enjoying full privileges and any initiation fee required of such  
16 a member are each [one hundred dollars] two hundred fifty or less; [.]

17 (2) A club sponsored and controlled by a charitable or religious  
18 organization, a governmental agency or a nonprofit educational  
19 institution; [shall be exempt from the dues tax.]

20 (3) Any society, order or association operating under the lodge  
21 system or any local fraternal organization among students of a college  
22 or university; [shall be exempt from the dues tax.] and

23 (4) Lawn bowling clubs. [shall be exempt from the dues tax.]

24 Sec. 2. Section 12-412 of the 2024 supplement to the general statutes  
25 is amended by adding subdivision (127) as follows (*Effective July 1, 2024,*  
26 *and applicable to sales occurring on or after July 1, 2024*):

27 (NEW) (127) Sales of and the storage, use or other consumption of (A)  
28 any ambulance-type motor vehicle used exclusively to transport any  
29 medically incapacitated individual, except any such vehicle used to  
30 transport any such individual for payment, and (B) any ambulance  
31 operating under a license or certificate issued in accordance with the  
32 provisions of section 19a-180.

33 Sec. 3. Subdivision (1) of section 12-408 of the 2024 supplement to the  
34 general statutes is repealed and the following is substituted in lieu  
35 thereof (*Effective July 1, 2024, and applicable to sales occurring on or after*  
36 *July 1, 2024*):

37 (1) (A) For the privilege of making any sales, as defined in  
38 subdivision (2) of subsection (a) of section 12-407, at retail, in this state  
39 for a consideration, a tax is hereby imposed on all retailers at the rate of  
40 six and thirty-five-hundredths per cent of the gross receipts of any  
41 retailer from the sale of all tangible personal property sold at retail or  
42 from the rendering of any services constituting a sale in accordance with

43 subdivision (2) of subsection (a) of section 12-407, except, in lieu of said  
44 rate, the rates provided in subparagraphs (B) to (I), inclusive, of this  
45 subdivision;

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

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

54 (C) With respect to the sale of a motor vehicle to any individual who  
55 is a member of the armed forces of the United States and is on full-time  
56 active duty in Connecticut and who is considered, under 50 App USC  
57 574, a resident of another state, or to any such individual and the spouse  
58 thereof, at a rate of four and one-half per cent of the gross receipts of any  
59 retailer from such sales, provided such retailer requires and maintains a  
60 declaration by such individual, prescribed as to form by the  
61 commissioner and bearing notice to the effect that false statements made  
62 in such declaration are punishable, or other evidence, satisfactory to the  
63 commissioner, concerning the purchaser's state of residence under 50  
64 App USC 574;

65 (D) (i) With respect to the sales of computer and data processing  
66 services occurring on or after July 1, 2001, at the rate of one per cent, and  
67 (ii) with respect to sales of Internet access services, on and after July 1,  
68 2001, such services shall be exempt from such tax;

69 (E) (i) With respect to the sales of labor that is otherwise taxable under  
70 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section  
71 12-407 on existing vessels and repair or maintenance services on vessels  
72 occurring on and after July 1, 1999, such services shall be exempt from  
73 such tax;

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

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

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

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

90 (H) With respect to the sale of (i) a motor vehicle for a sales price  
91 exceeding [fifty] seventy-five thousand dollars, at a rate of seven and  
92 three-fourths per cent on the entire sales price, (ii) jewelry, whether real  
93 or imitation, for a sales price exceeding five thousand dollars, at a rate  
94 of seven and three-fourths per cent on the entire sales price, and (iii) an  
95 article of clothing or footwear intended to be worn on or about the  
96 human body, a handbag, luggage, umbrella, wallet or watch for a sales  
97 price exceeding one thousand dollars, at a rate of seven and three-  
98 fourths per cent on the entire sales price. For purposes of this  
99 subparagraph, "motor vehicle" has the meaning provided in section 14-  
100 1, but does not include a motor vehicle subject to the provisions of  
101 subparagraph (C) of this subdivision, a motor vehicle having a gross  
102 vehicle weight rating over twelve thousand five hundred pounds, or a  
103 motor vehicle having a gross vehicle weight rating of twelve thousand  
104 five hundred pounds or less that is not used for private passenger  
105 purposes, but is designed or used to transport merchandise, freight or

106 persons in connection with any business enterprise and issued a  
107 commercial registration or more specific type of registration by the  
108 Department of Motor Vehicles;

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

115 (J) The rate of tax imposed by this chapter shall be applicable to all  
116 retail sales upon the effective date of such rate, except that a new rate  
117 that represents an increase in the rate applicable to the sale shall not  
118 apply to any sales transaction wherein a binding sales contract without  
119 an escalator clause has been entered into prior to the effective date of the  
120 new rate and delivery is made within ninety days after the effective date  
121 of the new rate. For the purposes of payment of the tax imposed under  
122 this section, any retailer of services taxable under subdivision (37) of  
123 subsection (a) of section 12-407, who computes taxable income, for  
124 purposes of taxation under the Internal Revenue Code of 1986, or any  
125 subsequent corresponding internal revenue code of the United States,  
126 as amended from time to time, on an accounting basis that recognizes  
127 only cash or other valuable consideration actually received as income  
128 and who is liable for such tax only due to the rendering of such services  
129 may make payments related to such tax for the period during which  
130 such income is received, without penalty or interest, without regard to  
131 when such service is rendered;

132 (K) (i) For calendar quarters ending on or after September 30, 2019,  
133 the commissioner shall deposit into the regional planning incentive  
134 account, established pursuant to section 4-66k, six and seven-tenths per  
135 cent of the amounts received by the state from the tax imposed under  
136 subparagraph (B) of this subdivision and ten and seven-tenths per cent  
137 of the amounts received by the state from the tax imposed under  
138 subparagraph (G) of this subdivision;

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

143 (iii) For calendar quarters ending on or after September 30, 2024, the  
144 commissioner shall deposit into the Tourism Fund established under  
145 section 10-395b fifty per cent of the amounts received by the state from  
146 the tax imposed under subparagraph (I) of this subdivision;

147 (L) (i) For calendar months commencing on or after July 1, 2021, but  
148 prior to July 1, 2023, the commissioner shall deposit into the municipal  
149 revenue sharing account established pursuant to section 4-66l seven and  
150 nine-tenths per cent of the amounts received by the state from the tax  
151 imposed under subparagraph (A) of this subdivision, including such  
152 amounts received on or after July 1, 2023, attributable to the fiscal year  
153 ending June 30, 2023; [and]

154 (ii) For calendar months commencing on or after July 1, 2023, the  
155 commissioner shall deposit into the Municipal Revenue Sharing Fund  
156 established pursuant to section 4-66p seven and nine-tenths per cent of  
157 the amounts received by the state from the tax imposed under  
158 subparagraph (A) of this subdivision; [and]

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

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

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

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

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

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

193 Sec. 4. Subdivision (1) of section 12-411 of the 2024 supplement to the  
194 general statutes is repealed and the following is substituted in lieu  
195 thereof (*Effective July 1, 2024, and applicable to sales occurring on or after*  
196 *July 1, 2024*):

197 (1) (A) An excise tax is hereby imposed on the storage, acceptance,  
198 consumption or any other use in this state of tangible personal property  
199 purchased from any retailer for storage, acceptance, consumption or any  
200 other use in this state, the acceptance or receipt of any services  
201 constituting a sale in accordance with subdivision (2) of subsection (a)

202 of section 12-407, purchased from any retailer for consumption or use in  
203 this state, or the storage, acceptance, consumption or any other use in  
204 this state of tangible personal property which has been manufactured,  
205 fabricated, assembled or processed from materials by a person, either  
206 within or without this state, for storage, acceptance, consumption or any  
207 other use by such person in this state, to be measured by the sales price  
208 of materials, at the rate of six and thirty-five-hundredths per cent of the  
209 sales price of such property or services, except, in lieu of said rate, [:] the  
210 rates provided in subparagraphs (B) to (I), inclusive, of this subdivision;

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

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

217 (C) With respect to the storage, acceptance, consumption or use in  
218 this state of a motor vehicle purchased from any retailer for storage,  
219 acceptance, consumption or use in this state by any individual who is a  
220 member of the armed forces of the United States and is on full-time  
221 active duty in Connecticut and who is considered, under 50 App USC  
222 574, a resident of another state, or to any such individual and the spouse  
223 of such individual at a rate of four and one-half per cent of the sales price  
224 of such vehicle, provided such retailer requires and maintains a  
225 declaration by such individual, prescribed as to form by the  
226 commissioner and bearing notice to the effect that false statements made  
227 in such declaration are punishable, or other evidence, satisfactory to the  
228 commissioner, concerning the purchaser's state of residence under 50  
229 App USC 574;

230 (D) (i) With respect to the acceptance or receipt in this state of labor  
231 that is otherwise taxable under subparagraph (C) or (G) of subdivision  
232 (2) of subsection (a) of section 12-407 on existing vessels and repair or  
233 maintenance services on vessels occurring on and after July 1, 1999, such



234 services shall be exempt from such tax;

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

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

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

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

253 (F) With respect to the acceptance or receipt in this state of patient  
254 care services purchased from any retailer for consumption or use in this  
255 state for which payment is received by the hospital on or after July 1,  
256 1999, and prior to July 1, 2001, at the rate of five and three-fourths per  
257 cent and on and after July 1, 2001, such services shall be exempt from  
258 such tax;

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

262 (H) With respect to the acceptance or receipt in this state of (i) a motor  
263 vehicle for a sales price exceeding [fifty] seventy-five thousand dollars,

264 at a rate of seven and three-fourths per cent on the entire sales price, (ii)  
265 jewelry, whether real or imitation, for a sales price exceeding five  
266 thousand dollars, at a rate of seven and three-fourths per cent on the  
267 entire sales price, and (iii) an article of clothing or footwear intended to  
268 be worn on or about the human body, a handbag, luggage, umbrella,  
269 wallet or watch for a sales price exceeding one thousand dollars, at a  
270 rate of seven and three-fourths per cent on the entire sales price. For  
271 purposes of this subparagraph, "motor vehicle" has the meaning  
272 provided in section 14-1, but does not include a motor vehicle subject to  
273 the provisions of subparagraph (C) of this subdivision, a motor vehicle  
274 having a gross vehicle weight rating over twelve thousand five hundred  
275 pounds, or a motor vehicle having a gross vehicle weight rating of  
276 twelve thousand five hundred pounds or less that is not used for private  
277 passenger purposes, but is designed or used to transport merchandise,  
278 freight or persons in connection with any business enterprise and issued  
279 a commercial registration or more specific type of registration by the  
280 Department of Motor Vehicles;

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

288 (J) (i) For calendar quarters ending on or after September 30, 2019, the  
289 commissioner shall deposit into the regional planning incentive  
290 account, established pursuant to section 4-66k, six and seven-tenths per  
291 cent of the amounts received by the state from the tax imposed under  
292 subparagraph (B) of this subdivision and ten and seven-tenths per cent  
293 of the amounts received by the state from the tax imposed under  
294 subparagraph (G) of this subdivision;

295 (ii) For calendar quarters ending on or after September 30, 2018, the  
296 commissioner shall deposit into the Tourism Fund established under

297 section 10-395b ten per cent of the amounts received by the state from  
298 the tax imposed under subparagraph (B) of this subdivision;

299 (K) (i) For calendar months commencing on or after July 1, 2021, but  
300 prior to July 1, 2023, the commissioner shall deposit into the municipal  
301 revenue sharing account established pursuant to section 4-66l seven and  
302 nine-tenths per cent of the amounts received by the state from the tax  
303 imposed under subparagraph (A) of this subdivision, including such  
304 amounts received on or after July 1, 2023, attributable to the fiscal year  
305 ending June 30, 2023; [and]

306 (ii) For calendar months commencing on or after July 1, 2023, the  
307 commissioner shall deposit into the Municipal Revenue Sharing Fund  
308 established pursuant to section 4-66p seven and nine-tenths per cent of  
309 the amounts received by the state from the tax imposed under  
310 subparagraph (A) of this subdivision; [and]

311 (iii) For calendar quarters ending on or after September 30, 2024, the  
312 commissioner shall deposit into the Tourism Fund established under  
313 section 10-395b fifty per cent of the amounts received by the state from  
314 the tax imposed under subparagraph (I) of this subdivision;

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

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

325 (iii) For calendar months commencing on or after July 1, 2019, but  
326 prior to July 1, 2020, the commissioner shall deposit into the Special  
327 Transportation Fund established under section 13b-68 seventeen per

328 cent of the amounts received by the state from the tax imposed under  
 329 subparagraphs (A) and (H) of this subdivision on the acceptance or  
 330 receipt in this state of a motor vehicle;

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

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

343 (vi) For calendar months commencing on or after July 1, 2022, the  
 344 commissioner shall deposit into the Special Transportation Fund  
 345 established under section 13b-68 one hundred per cent of the amounts  
 346 received by the state from the tax imposed under subparagraphs (A)  
 347 and (H) of this subdivision on the acceptance or receipt in this state of a  
 348 motor vehicle.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	12-543
Sec. 2	<i>July 1, 2024, and applicable to sales occurring on or after July 1, 2024</i>	12-412(127)
Sec. 3	<i>July 1, 2024, and applicable to sales occurring on or after July 1, 2024</i>	12-408(1)

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Sec. 4	<i>July 1, 2024, and applicable to sales occurring on or after July 1, 2024</i>	12-411(1)
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**Statement of Purpose:**

To (1) increase the threshold for the imposition of the dues tax, (2) exempt ambulance-type motor vehicles and ambulances from the sales and use taxes, (3) increase the sales price threshold of motor vehicles subject to a higher sales and use taxes rate, and (4) dedicate a portion of the revenue generated from the meals tax to the Tourism Fund.

*[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.]*