



General Assembly

**Substitute Bill No. 7307**

January Session, 2019



**AN ACT CONCERNING DEPOSITS TO AND ALLOCATION OF FUNDS  
IN THE TOURISM FUND.**

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

1 Section 1. Subdivision (1) of section 12-408 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2019*):

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

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

17 (ii) At a rate of eleven per cent with respect to each transfer of  
18 occupancy, from the total amount of rent received by a bed and

19 breakfast establishment for the first period not exceeding thirty  
20 consecutive calendar days;

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

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

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

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

46 (F) With respect to patient care services for which payment is  
47 received by the hospital on or after July 1, 1999, and prior to July 1,  
48 2001, at the rate of five and three-fourths per cent and on and after July  
49 1, 2001, such services shall be exempt from such tax;

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

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

72 (I) The rate of tax imposed by this chapter shall be applicable to all  
73 retail sales upon the effective date of such rate, except that a new rate  
74 which represents an increase in the rate applicable to the sale shall not  
75 apply to any sales transaction wherein a binding sales contract without  
76 an escalator clause has been entered into prior to the effective date of  
77 the new rate and delivery is made within ninety days after the effective  
78 date of the new rate. For the purposes of payment of the tax imposed  
79 under this section, any retailer of services taxable under subdivision  
80 (37) of subsection (a) of section 12-407, who computes taxable income,  
81 for purposes of taxation under the Internal Revenue Code of 1986, or  
82 any subsequent corresponding internal revenue code of the United

83 States, as from time to time amended, on an accounting basis which  
84 recognizes only cash or other valuable consideration actually received  
85 as income and who is liable for such tax only due to the rendering of  
86 such services may make payments related to such tax for the period  
87 during which such income is received, without penalty or interest,  
88 without regard to when such service is rendered;

89 (J) (i) For calendar quarters ending on or after September 30, 2019,  
90 the commissioner shall deposit into the regional planning incentive  
91 account, established pursuant to section 4-66k, six and seven-tenths  
92 per cent of the amounts received by the state from the tax imposed  
93 under subparagraph (B) of this subdivision and ten and seven-tenths  
94 per cent of the amounts received by the state from the tax imposed  
95 under subparagraph (G) of this subdivision;

96 (ii) For calendar quarters ending on or after September 30, [2018]  
97 2019, the commissioner shall deposit into the Tourism Fund  
98 established under section 10-395b, as amended by this act, [ten]  
99 twenty-five per cent of the amounts received by the state from the tax  
100 imposed under subparagraph (B) of this subdivision;

101 (K) For calendar months commencing on or after July 1, 2021, the  
102 commissioner shall deposit into the municipal revenue sharing  
103 account established pursuant to section 4-66l seven and nine-tenths per  
104 cent of the amounts received by the state from the tax imposed under  
105 subparagraph (A) of this subdivision; and

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

111 (ii) For calendar months commencing on or after July 1, 2018, but  
112 prior to July 1, 2019, the commissioner shall deposit into the Special  
113 Transportation Fund established under section 13b-68 eight per cent of

114 the amounts received by the state from the tax imposed under  
115 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
116 vehicle;

117 (iii) For calendar months commencing on or after July 1, 2019, but  
118 prior to July 1, 2020, the commissioner shall deposit into the Special  
119 Transportation Fund established under section 13b-68 thirty-three per  
120 cent of the amounts received by the state from the tax imposed under  
121 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
122 vehicle;

123 (iv) For calendar months commencing on or after July 1, 2020, but  
124 prior to July 1, 2021, the commissioner shall deposit into the Special  
125 Transportation Fund established under section 13b-68 fifty-six per cent  
126 of the amounts received by the state from the tax imposed under  
127 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
128 vehicle;

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

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

140 Sec. 2. Subdivision (1) of section 12-411 of the general statutes is  
141 repealed and the following is substituted in lieu thereof (*Effective July*  
142 *1, 2019*):

143 (1) (A) An excise tax is hereby imposed on the storage, acceptance,  
144 consumption or any other use in this state of tangible personal

145 property purchased from any retailer for storage, acceptance,  
146 consumption or any other use in this state, the acceptance or receipt of  
147 any services constituting a sale in accordance with subdivision (2) of  
148 subsection (a) of section 12-407, purchased from any retailer for  
149 consumption or use in this state, or the storage, acceptance,  
150 consumption or any other use in this state of tangible personal  
151 property which has been manufactured, fabricated, assembled or  
152 processed from materials by a person, either within or without this  
153 state, for storage, acceptance, consumption or any other use by such  
154 person in this state, to be measured by the sales price of materials, at  
155 the rate of six and thirty-five-hundredths per cent of the sales price of  
156 such property or services, except, in lieu of said rate of six and thirty-  
157 five-hundredths per cent;

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

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

164 (C) With respect to the storage, acceptance, consumption or use in  
165 this state of a motor vehicle purchased from any retailer for storage,  
166 acceptance, consumption or use in this state by any individual who is a  
167 member of the armed forces of the United States and is on full-time  
168 active duty in Connecticut and who is considered, under 50 App USC  
169 574, a resident of another state, or to any such individual and the  
170 spouse of such individual at a rate of four and one-half per cent of the  
171 sales price of such vehicle, provided such retailer requires and  
172 maintains a declaration by such individual, prescribed as to form by  
173 the commissioner and bearing notice to the effect that false statements  
174 made in such declaration are punishable, or other evidence,  
175 satisfactory to the commissioner, concerning the purchaser's state of  
176 residence under 50 App USC 574;

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

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

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

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

196 (F) With respect to the acceptance or receipt in this state of patient  
197 care services purchased from any retailer for consumption or use in  
198 this state for which payment is received by the hospital on or after July  
199 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths  
200 per cent and on and after July 1, 2001, such services shall be exempt  
201 from such tax;

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

205 (H) With respect to the acceptance or receipt in this state of (i) a  
206 motor vehicle for a sales price exceeding fifty thousand dollars, at a  
207 rate of seven and three-fourths per cent on the entire sales price, (ii)

208 jewelry, whether real or imitation, for a sales price exceeding five  
209 thousand dollars, at a rate of seven and three-fourths per cent on the  
210 entire sales price, and (iii) an article of clothing or footwear intended to  
211 be worn on or about the human body, a handbag, luggage, umbrella,  
212 wallet or watch for a sales price exceeding one thousand dollars, at a  
213 rate of seven and three-fourths per cent on the entire sales price. For  
214 purposes of this subparagraph, "motor vehicle" has the meaning  
215 provided in section 14-1, but does not include a motor vehicle subject  
216 to the provisions of subparagraph (C) of this subdivision, a motor  
217 vehicle having a gross vehicle weight rating over twelve thousand five  
218 hundred pounds, or a motor vehicle having a gross vehicle weight  
219 rating of twelve thousand five hundred pounds or less that is not used  
220 for private passenger purposes, but is designed or used to transport  
221 merchandise, freight or persons in connection with any business  
222 enterprise and issued a commercial registration or more specific type  
223 of registration by the Department of Motor Vehicles;

224 (I) (i) For calendar quarters ending on or after September 30, 2019,  
225 the commissioner shall deposit into the regional planning incentive  
226 account, established pursuant to section 4-66k, six and seven-tenths  
227 per cent of the amounts received by the state from the tax imposed  
228 under subparagraph (B) of this subdivision and ten and seven-tenths  
229 per cent of the amounts received by the state from the tax imposed  
230 under subparagraph (G) of this subdivision;

231 (ii) For calendar quarters ending on or after September 30, [2018]  
232 2019, the commissioner shall deposit into the Tourism Fund  
233 established under section 10-395b, as amended by this act, [ten]  
234 twenty-five per cent of the amounts received by the state from the tax  
235 imposed under subparagraph (B) of this subdivision;

236 (J) For calendar months commencing on or after July 1, 2021, the  
237 commissioner shall deposit into said municipal revenue sharing  
238 account seven and nine-tenths per cent of the amounts received by the  
239 state from the tax imposed under subparagraph (A) of this  
240 subdivision; and



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

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

251 (iii) For calendar months commencing on or after July 1, 2019, but  
252 prior to July 1, 2020, the commissioner shall deposit into the Special  
253 Transportation Fund established under section 13b-68 thirty-three per  
254 cent of the amounts received by the state from the tax imposed under  
255 subparagraphs (A) and (H) of this subdivision on the acceptance or  
256 receipt in this state of a motor vehicle;

257 (iv) For calendar months commencing on or after July 1, 2020, but  
258 prior to July 1, 2021, the commissioner shall deposit into the Special  
259 Transportation Fund established under section 13b-68 fifty-six per cent  
260 of the amounts received by the state from the tax imposed under  
261 subparagraphs (A) and (H) of this subdivision on the acceptance or  
262 receipt in this state of a motor vehicle;

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

269 (vi) For calendar months commencing on or after July 1, 2022, the  
270 commissioner shall deposit into the Special Transportation Fund  
271 established under section 13b-68 one hundred per cent of the amounts

272 received by the state from the tax imposed under subparagraphs (A)  
273 and (H) of this subdivision on the acceptance or receipt in this state of  
274 a motor vehicle.

275 Sec. 3. Section 10-395b of the general statutes is repealed and the  
276 following is substituted in lieu thereof (*Effective from passage*):

277 There is established a fund to be known as the "Tourism Fund"  
278 which shall be a separate, nonlapsing fund. The fund shall contain any  
279 moneys required by law to be deposited in the fund. Moneys  
280 deposited in the fund shall be allocated as follows: (1) Forty per cent  
281 for arts and culture, and (2) sixty per cent for tourism.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	12-408(1)
Sec. 2	<i>July 1, 2019</i>	12-411(1)
Sec. 3	<i>from passage</i>	10-395b

**CE**      *Joint Favorable Subst.*