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## OLR Bill Analysis

SB 711 (File 183, as amended by Senate "A")\*

### ***AN ACT CONCERNING COVID-19 RELIEF FOR SMALL BUSINESSES AND REQUIRING FEDERAL REGULATORY ANALYSIS FOR PROPOSED STATE REGULATIONS.***

#### **SUMMARY**

This bill establishes a sales and use tax exemption in FYs 22 and 23 for personal protective equipment (PPE) purchased by a small business for the business's use.

To qualify for the exemption, the purchaser must present a certificate, prescribed by the revenue services commissioner, to the seller certifying that the purchaser is a small business purchasing PPE for the business. The bill makes the purchaser liable for the tax otherwise imposed if it provides the certificate to the seller improperly. It also makes anyone who willfully delivers to a seller a certificate that is known to be materially false or fraudulent guilty of a class D felony (punishable by up to five years' imprisonment, a fine of up to \$5,000, or both), in addition to any other penalty the law provides.

Under the bill, "PPE" means (1) specialized clothing or equipment worn by an employee for protection against infectious disease and materials, including protective equipment for the eyes, face, head, and extremities; protective clothing; and protective shields and barriers, and (2) disinfecting products approved for use against COVID-19 by the National Centers for Disease Control and Prevention. A "small business" (1) is a corporation, limited liability company, partnership, sole proprietorship, or individual, operating a business for a profit and (2) has up to 100 fulltime employees, including subsidiaries or affiliated corporations.

\*Senate Amendment "A" (1) adds the certificate requirement and penalties and makes the exemption applicable to FYs 22 and 23 only and (2) removes provisions from the underlying bill (a) creating a

“non-charge” against an employer’s experience rate for the unemployment benefits paid to former employees because of COVID-19 and (b) requiring state agencies to prepare a federal regulatory analysis when adopting regulations.

EFFECTIVE DATE: July 1, 2021, and applicable to sales occurring on or after July 1, 2021.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea 23 Nay 0 (03/11/2021)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 45 Nay 0 (05/19/2021)