



House of Representatives

General Assembly

File No. 691

January Session, 2023

House Bill No. 6923

House of Representatives, May 3, 2023

The Committee on Finance, Revenue and Bonding reported through REP. HORN of the 64th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT CONCERNING THE SALES AND USE TAXES ON
AMBULANCE-TYPE MOTOR VEHICLES AND AMBULANCES.***

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

1 Section 1. Section 12-412 of the general statutes is amended by adding
2 subdivision (127) as follows (*Effective July 1, 2023, and applicable to sales*
3 *occurring on or after July 1, 2023*):

4 (NEW) (127) Sales of and the storage, use or other consumption of (A)
5 any ambulance-type motor vehicle used exclusively to transport any
6 medically incapacitated individual, except any such vehicle used to
7 transport any such individual for payment, and (B) any ambulance
8 operating under a license or certificate issued in accordance with the
9 provisions of section 19a-180.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2023, and applicable to sales occurring on or after July 1, 2023</i>	12-412(127)
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FIN *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Revenue Serv., Dept.	Various - Revenue Loss	1,000,000	1,000,000

Note: Various=Various

Municipal Impact: None

Explanation

The bill results in a state revenue loss of \$1 million annually by exempting sales of ambulance-type vehicles and certain ambulances from the sales and use tax. By fund, the revenue loss is anticipated to be \$840,000 to the General Fund and \$80,000 each to the Special Transportation Fund and the Municipal Revenue Sharing Account.¹

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

¹ By statute, 0.5 percentage points of the 6.35% rate (or 7.87% of collections) is deposited into the Special Transportation Fund and Municipal Revenue Sharing Account each. The remaining 5.35% percentage points (or 84.25%) is deposited into the General Fund.

OLR Bill Analysis

HB 6923

***AN ACT CONCERNING THE SALES AND USE TAXES ON
AMBULANCE-TYPE MOTOR VEHICLES AND AMBULANCES.***

SUMMARY

This bill exempts from sales and use tax (1) ambulance-type vehicles used exclusively to transport medically incapacitated individuals, except those used to transport these individuals for payment, and (2) ambulances operating under a license or certificate issued by the Department of Public Health (DPH). By law, DPH issues licenses or certificates, as applicable, to commercial, municipal, volunteer, nonprofit, and state agency ambulance services.

By law, unchanged by the bill, sales of goods and services to municipalities, state agencies, and charitable nonprofits are already exempt from sales and use tax (CGS § 12-412(1) & (8)).

EFFECTIVE DATE: July 1, 2023, and applicable to sales occurring on or after that date.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 51 Nay 0 (04/18/2023)