

Finance, Revenue and Bonding Committee JOINT FAVORABLE REPORT

Bill No.: HB 6923

AN ACT CONCERNING THE SALES AND USE TAXES ON AMBULANCE-TYPE

Title: MOTOR VEHICLES AND AMBULANCES.

Vote Date: 4/18/2023

Vote Action: Joint Favorable

PH Date: 4/3/2023

File No.:

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SPONSORS OF BILL:

Finance, Revenue and Bonding Committee on behalf of the Association of Connecticut Ambulance Providers.

REASONS FOR BILL:

This bill exempts ambulances and ambulance-type motor vehicles from the sales and use taxes. The cost to retrofit ambulances has increased. Exempting ambulance acquisitions from sales and use taxes would help alleviate some of the costs associated with operating an ambulance service.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

[Gregory Allard, President, Association of Connecticut Ambulance Providers](#) testified that, at one time, ambulances were exempt from sales and use taxes. The Association requested that this exemption be reinstated. Costs of ambulances has risen over the last year and their company paid approximately \$6,700 in taxes on the last ambulance they purchased. Van ambulances are over \$100,000 per unit in total cost, not including equipment. The funds they would save from taxes could be put toward other medical equipment, which has also drastically increased in cost over the past year.

[Bob Mara, Business Operations Manager, Aetna Ambulance Service](#) noted that Emergency Medical Services providers across the country are experiencing inflation, workforce shortages and supply chain issues for new ambulances, causing delays for several months from ordering to delivery. They state after purchasing a new chassis for \$50,000, the conversion process can

cost an additional \$60,000 to create a fully functional ambulance as these vehicles require extensive, specific and unique outfitting with specialized medical equipment, communications technology and supplies.

Aetna Ambulance Services advocated for an additional statutory change to exempt ambulance service providers from sale and use taxes on the conversion costs. They cite subdivision (19) of section 12-412 of the general statutes, which currently exempts from the sales and use taxes vehicles for wheelchair conversion. They noted that this statute covered ambulances up until 1981.

[Tony Olivero](#) provided general comments requesting that their taxes be cut, both income taxes and property taxes. They state inflation has been tough.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Ash Northey

Date: April 26, 2023