



General Assembly

February Session, 2024

**Raised Bill No. 5481**

LCO No. 2423



Referred to Committee on PUBLIC SAFETY AND SECURITY

Introduced by:  
(PS)

***AN ACT PROVIDING GRANTS FOR TOURISM PUBLIC SAFETY FROM REVENUE COLLECTED FROM THE OCCUPANCY AND MEALS TAX.***

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 2024 supplement to  
2 the general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective July 1, 2024*):

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 of  
7 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 with  
10 subdivision (2) of subsection (a) of section 12-407, except, in lieu of said  
11 rate, the rates provided in subparagraphs (B) to (I), inclusive, of this  
12 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 lodging  
15 house for the first period not exceeding thirty consecutive calendar

16 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 spouse  
25 thereof, at a rate of four and one-half per cent of the gross receipts of any  
26 retailer from such sales, provided such retailer requires and maintains a  
27 declaration by such individual, prescribed as to form by the  
28 commissioner and bearing notice to the effect that false statements made  
29 in such declaration are punishable, or other evidence, satisfactory to the  
30 commissioner, concerning the purchaser's state of residence under 50  
31 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, and  
34 (ii) with respect to sales of Internet access services, on and after July 1,  
35 2001, such services shall be exempt from such tax;

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

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

46 (iii) With respect to the sale of dyed diesel fuel, as defined in

47 subsection (d) of section 12-487, sold by a marine fuel dock exclusively  
48 for marine purposes, at the rate of two and ninety-nine-hundredths per  
49 cent;

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

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

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

75 (I) With respect to the sale of meals, as defined in subdivision (13) of  
76 section 12-412, sold by an eating establishment, caterer or grocery store;  
77 and spirituous, malt or vinous liquors, soft drinks, sodas or beverages  
78 such as are ordinarily dispensed at bars and soda fountains, or in

79 connection therewith; in addition to the tax imposed under  
80 subparagraph (A) of this subdivision, at the rate of one per cent;

81 (J) The rate of tax imposed by this chapter shall be applicable to all  
82 retail sales upon the effective date of such rate, except that a new rate  
83 that represents an increase in the rate applicable to the sale shall not  
84 apply to any sales transaction wherein a binding sales contract without  
85 an escalator clause has been entered into prior to the effective date of the  
86 new rate and delivery is made within ninety days after the effective date  
87 of the new rate. For the purposes of payment of the tax imposed under  
88 this section, any retailer of services taxable under subdivision (37) of  
89 subsection (a) of section 12-407, who computes taxable income, for  
90 purposes of taxation under the Internal Revenue Code of 1986, or any  
91 subsequent corresponding internal revenue code of the United States,  
92 as amended from time to time, on an accounting basis that recognizes  
93 only cash or other valuable consideration actually received as income  
94 and who is liable for such tax only due to the rendering of such services  
95 may make payments related to such tax for the period during which  
96 such income is received, without penalty or interest, without regard to  
97 when such service is rendered;

98 (K) (i) For calendar quarters ending on or after September 30, 2019,  
99 the commissioner shall deposit into the regional planning incentive  
100 account, established pursuant to section 4-66k, six and seven-tenths per  
101 cent of the amounts received by the state from the tax imposed under  
102 subparagraph (B) of this subdivision and ten and seven-tenths per cent  
103 of the amounts received by the state from the tax imposed under  
104 subparagraph (G) of this subdivision;

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

109 (L) (i) For calendar months commencing on or after July 1, 2021, but  
110 prior to July 1, 2023, the commissioner shall deposit into the municipal

111 revenue sharing account established pursuant to section 4-66l seven and  
112 nine-tenths per cent of the amounts received by the state from the tax  
113 imposed under subparagraph (A) of this subdivision, including such  
114 amounts received on or after July 1, 2023, attributable to the fiscal year  
115 ending June 30, 2023; and

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

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

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

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

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

143 vehicle;

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

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

155 (N) For calendar quarters ending on or after September 30, 2024, the  
156 commissioner shall deposit into the tourism public safety account  
157 established under section 4 of this act twenty-five per cent of the  
158 amounts received by the state from the tax imposed under  
159 subparagraph (B) of this subdivision and twenty-five per cent of the  
160 amounts received by the state from the tax imposed under  
161 subparagraph (I) of this subdivision.

162 Sec. 2. Subdivision (1) of section 12-411 of the 2024 supplement to the  
163 general statutes is repealed and the following is substituted in lieu  
164 thereof (*Effective July 1, 2024*):

165 (1) (A) An excise tax is hereby imposed on the storage, acceptance,  
166 consumption or any other use in this state of tangible personal property  
167 purchased from any retailer for storage, acceptance, consumption or any  
168 other use in this state, the acceptance or receipt of any services  
169 constituting a sale in accordance with subdivision (2) of subsection (a)  
170 of section 12-407, purchased from any retailer for consumption or use in  
171 this state, or the storage, acceptance, consumption or any other use in  
172 this state of tangible personal property which has been manufactured,  
173 fabricated, assembled or processed from materials by a person, either  
174 within or without this state, for storage, acceptance, consumption or any

175 other use by such person in this state, to be measured by the sales price  
176 of materials, at the rate of six and thirty-five-hundredths per cent of the  
177 sales price of such property or services, except, in lieu of said rate:

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

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

184 (C) With respect to the storage, acceptance, consumption or use in  
185 this state of a motor vehicle purchased from any retailer for storage,  
186 acceptance, consumption or use in this state by any individual who is a  
187 member of the armed forces of the United States and is on full-time  
188 active duty in Connecticut and who is considered, under 50 App USC  
189 574, a resident of another state, or to any such individual and the spouse  
190 of such individual at a rate of four and one-half per cent of the sales price  
191 of such vehicle, provided such retailer requires and maintains a  
192 declaration by such individual, prescribed as to form by the  
193 commissioner and bearing notice to the effect that false statements made  
194 in such declaration are punishable, or other evidence, satisfactory to the  
195 commissioner, concerning the purchaser's state of residence under 50  
196 App USC 574;

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

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

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

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

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

220 (F) With respect to the acceptance or receipt in this state of patient  
221 care services purchased from any retailer for consumption or use in this  
222 state for which payment is received by the hospital on or after July 1,  
223 1999, and prior to July 1, 2001, at the rate of five and three-fourths per  
224 cent and on and after July 1, 2001, such services shall be exempt from  
225 such tax;

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

229 (H) With respect to the acceptance or receipt in this state of (i) a motor  
230 vehicle for a sales price exceeding fifty thousand dollars, at a rate of  
231 seven and three-fourths per cent on the entire sales price, (ii) jewelry,  
232 whether real or imitation, for a sales price exceeding five thousand  
233 dollars, at a rate of seven and three-fourths per cent on the entire sales  
234 price, and (iii) an article of clothing or footwear intended to be worn on  
235 or about the human body, a handbag, luggage, umbrella, wallet or  
236 watch for a sales price exceeding one thousand dollars, at a rate of seven  
237 and three-fourths per cent on the entire sales price. For purposes of this  
238 subparagraph, "motor vehicle" has the meaning provided in section 14-



239 1, but does not include a motor vehicle subject to the provisions of  
240 subparagraph (C) of this subdivision, a motor vehicle having a gross  
241 vehicle weight rating over twelve thousand five hundred pounds, or a  
242 motor vehicle having a gross vehicle weight rating of twelve thousand  
243 five hundred pounds or less that is not used for private passenger  
244 purposes, but is designed or used to transport merchandise, freight or  
245 persons in connection with any business enterprise and issued a  
246 commercial registration or more specific type of registration by the  
247 Department of Motor Vehicles;

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

255 (J) (i) For calendar quarters ending on or after September 30, 2019, the  
256 commissioner shall deposit into the regional planning incentive  
257 account, established pursuant to section 4-66k, six and seven-tenths per  
258 cent of the amounts received by the state from the tax imposed under  
259 subparagraph (B) of this subdivision and ten and seven-tenths per cent  
260 of the amounts received by the state from the tax imposed under  
261 subparagraph (G) of this subdivision;

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

266 (K) (i) For calendar months commencing on or after July 1, 2021, but  
267 prior to July 1, 2023, the commissioner shall deposit into the municipal  
268 revenue sharing account established pursuant to section 4-66l seven and  
269 nine-tenths per cent of the amounts received by the state from the tax  
270 imposed under subparagraph (A) of this subdivision, including such

271 amounts received on or after July 1, 2023, attributable to the fiscal year  
272 ending June 30, 2023; and

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

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

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

288 (iii) For calendar months commencing on or after July 1, 2019, but  
289 prior to July 1, 2020, the commissioner shall deposit into the Special  
290 Transportation Fund established under section 13b-68 seventeen per  
291 cent of the amounts received by the state from the tax imposed under  
292 subparagraphs (A) and (H) of this subdivision on the acceptance or  
293 receipt in this state of a motor vehicle;

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

300 (v) For calendar months commencing on or after July 1, 2021, but  
301 prior to July 1, 2022, the commissioner shall deposit into the Special

302 Transportation Fund established under section 13b-68 seventy-five per  
303 cent of the amounts received by the state from the tax imposed under  
304 subparagraphs (A) and (H) of this subdivision on the acceptance or  
305 receipt in this state of a motor vehicle; and

306 (vi) For calendar months commencing on or after July 1, 2022, the  
307 commissioner shall deposit into the Special Transportation Fund  
308 established under section 13b-68 one hundred per cent of the amounts  
309 received by the state from the tax imposed under subparagraphs (A)  
310 and (H) of this subdivision on the acceptance or receipt in this state of a  
311 motor vehicle; and

312 (M) For calendar quarters ending on or after September 30, 2024, the  
313 commissioner shall deposit into the tourism public safety account  
314 established under section 4 of this act twenty-five per cent of the  
315 amounts received by the state from the tax imposed under  
316 subparagraph (B) of this subdivision and twenty-five per cent of the  
317 amounts received by the state from the tax imposed under  
318 subparagraph (I) of this subdivision.

319 Sec. 3. (NEW) (*Effective July 1, 2024*) Not later than August 1, 2025,  
320 and annually thereafter, the Commissioner of Revenue Services shall (1)  
321 determine the amount of the tax collected pursuant to subparagraphs  
322 (B) and (I) of subdivision (1) of section 12-408 of the general statutes, as  
323 amended by this act, and subparagraphs (B) and (I) of subdivision (1) of  
324 section 12-411 of the general statutes, as amended by this act, in the prior  
325 fiscal year that is attributable to each municipality in the state, based on  
326 the location where the sales subject to such taxes occurred, and (2) report  
327 the results of such determination to the Commissioner of Emergency  
328 Services and Public Protection.

329 Sec. 4. (NEW) (*Effective July 1, 2024*) (a) There is established an account  
330 to be known as the "tourism public safety account" which shall be a  
331 separate, nonlapsing account within the General Fund. The account  
332 shall contain any moneys required by law to be deposited in the account.  
333 Moneys in the account shall be expended by the Commissioner of

334 Emergency Services and Public Protection for the purposes of providing  
335 grants to municipalities pursuant to subsection (b) of this section.

336 (b) Not later than September 1, 2025, and annually thereafter, the  
337 commissioner shall distribute a grant to each municipality identified in  
338 the report annually submitted to the commissioner, pursuant to section  
339 3 of this act, in an amount that is equal to twenty-five per cent of the  
340 amount identified in such report as the tax attributable to such  
341 municipality. Such grants shall be used by such municipalities for the  
342 provision of fire, police and emergency services in relation to tourism in  
343 such municipalities.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	12-408(1)
Sec. 2	<i>July 1, 2024</i>	12-411(1)
Sec. 3	<i>July 1, 2024</i>	New section
Sec. 4	<i>July 1, 2024</i>	New section

**Statement of Purpose:**

To provide grants to municipalities for tourism public safety in amounts equal to twenty-five per cent of the occupancy and meals taxes collected from such municipalities.

*[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.]*