



General Assembly

February Session, 2024

Raised Bill No. 5504

LCO No. 2932



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING FUNDING FOR THE AMERICA 250 SEMIQUINCENTENNIAL INITIATIVE.

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2 the general statutes is repealed and the following is substituted in lieu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, and applicable to sales occurring on or after*
4 *July 1, 2024*):

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

14 (B) (i) (I) At a rate of fifteen per cent with respect to each transfer of

15 occupancy, from the total amount of rent received by a hotel or lodging
16 house for the first period not exceeding thirty consecutive calendar
17 days; and

18 (II) On and after July 1, 2024, through June 30, 2028, in addition to the
19 tax imposed under clause (i)(I) of this subparagraph, at a rate of six-
20 hundred-fifteen-thousandths per cent with respect to each transfer of
21 occupancy, from the total amount of rent received by a hotel or lodging
22 house for the first period not exceeding thirty consecutive calendar
23 days;

24 (ii) At a rate of eleven per cent with respect to each transfer of
25 occupancy, from the total amount of rent received by a bed and
26 breakfast establishment for the first period not exceeding thirty
27 consecutive calendar days;

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

39 (D) (i) With respect to the sales of computer and data processing
40 services occurring on or after July 1, 2001, at the rate of one per cent, and
41 (ii) with respect to sales of Internet access services, on and after July 1,
42 2001, such services shall be exempt from such tax;

43 (E) (i) With respect to the sales of labor that is otherwise taxable under
44 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section
45 12-407 on existing vessels and repair or maintenance services on vessels
46 occurring on and after July 1, 1999, such services shall be exempt from

47 such tax;

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

53 (iii) With respect to the sale of dyed diesel fuel, as defined in
54 subsection (d) of section 12-487, sold by a marine fuel dock exclusively
55 for marine purposes, at the rate of two and ninety-nine-hundredths per
56 cent;

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

61 (G) With respect to the rental or leasing of a passenger motor vehicle
62 for a period of thirty consecutive calendar days or less, (i) at a rate of
63 nine and thirty-five-hundredths per cent, and (ii) on and after July 1,
64 2024, through June 30, 2028, in addition to the tax imposed under clause
65 (i) of this subparagraph, at a rate of six-hundred-fifteen-thousandths per
66 cent;

67 (H) With respect to the sale of (i) a motor vehicle for a sales price
68 exceeding fifty thousand dollars, at a rate of seven and three-fourths per
69 cent on the entire sales price, (ii) jewelry, whether real or imitation, for
70 a sales price exceeding five thousand dollars, at a rate of seven and
71 three-fourths per cent on the entire sales price, and (iii) an article of
72 clothing or footwear intended to be worn on or about the human body,
73 a handbag, luggage, umbrella, wallet or watch for a sales price
74 exceeding one thousand dollars, at a rate of seven and three-fourths per
75 cent on the entire sales price. For purposes of this subparagraph, "motor
76 vehicle" has the meaning provided in section 14-1, but does not include
77 a motor vehicle subject to the provisions of subparagraph (C) of this
78 subdivision, a motor vehicle having a gross vehicle weight rating over

79 twelve thousand five hundred pounds, or a motor vehicle having a
80 gross vehicle weight rating of twelve thousand five hundred pounds or
81 less that is not used for private passenger purposes, but is designed or
82 used to transport merchandise, freight or persons in connection with
83 any business enterprise and issued a commercial registration or more
84 specific type of registration by the Department of Motor Vehicles;

85 (I) With respect to the sale of meals, as defined in subdivision (13) of
86 section 12-412, sold by an eating establishment, caterer or grocery store;
87 and spirituous, malt or vinous liquors, soft drinks, sodas or beverages
88 such as are ordinarily dispensed at bars and soda fountains, or in
89 connection therewith; in addition to the tax imposed under
90 subparagraph (A) of this subdivision, at the rate of one per cent;

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

108 (K) (i) For calendar quarters ending on or after September 30, 2019,
109 the commissioner shall deposit into the regional planning incentive
110 account, established pursuant to section 4-66k, six and seven-tenths per
111 cent of the amounts received by the state from the tax imposed under

112 [subparagraph (B)] subparagraphs (B)(i)(I) and (B)(ii) of this subdivision
113 and ten and seven-tenths per cent of the amounts received by the state
114 from the tax imposed under subparagraph (G)(i) of this subdivision;

115 (ii) For calendar quarters ending on or after September 30, 2018, the
116 commissioner shall deposit into the Tourism Fund established under
117 section 10-395b ten per cent of the amounts received by the state from
118 the tax imposed under [subparagraph (B)] subparagraphs (B)(i)(I) and
119 (B)(ii) of this subdivision;

120 (L) (i) For calendar months commencing on or after July 1, 2021, but
121 prior to July 1, 2023, the commissioner shall deposit into the municipal
122 revenue sharing account established pursuant to section 4-66l seven and
123 nine-tenths per cent of the amounts received by the state from the tax
124 imposed under subparagraph (A) of this subdivision, including such
125 amounts received on or after July 1, 2023, attributable to the fiscal year
126 ending June 30, 2023; [and]

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

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

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

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

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

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

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

166 (N) For calendar months commencing on or after July 1, 2024, but
167 prior to July 1, 2028, the commissioner shall deposit into the America
168 250 account established under section 3 of this act the amounts received
169 by the state from the tax imposed under subparagraphs (B)(i)(II) and
170 (G)(ii) of this subdivision.

171 Sec. 2. Subdivision (1) of section 12-411 of the 2024 supplement to the
172 general statutes is repealed and the following is substituted in lieu
173 thereof (*Effective July 1, 2024, and applicable to sales occurring on or after*
174 *July 1, 2024*):

175 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
176 consumption or any other use in this state of tangible personal property
177 purchased from any retailer for storage, acceptance, consumption or any
178 other use in this state, the acceptance or receipt of any services
179 constituting a sale in accordance with subdivision (2) of subsection (a)
180 of section 12-407, purchased from any retailer for consumption or use in
181 this state, or the storage, acceptance, consumption or any other use in
182 this state of tangible personal property which has been manufactured,
183 fabricated, assembled or processed from materials by a person, either
184 within or without this state, for storage, acceptance, consumption or any
185 other use by such person in this state, to be measured by the sales price
186 of materials, at the rate of six and thirty-five-hundredths per cent of the
187 sales price of such property or services, except, in lieu of said rate, [:] the
188 rates provided in subparagraphs (B) to (I), inclusive, of this subdivision;

189 (B) (i) (I) At a rate of fifteen per cent of the rent paid to a hotel or
190 lodging house for the first period not exceeding thirty consecutive
191 calendar days; and

192 (II) On and after July 1, 2024, through June 30, 2028, in addition to the
193 tax imposed under clause (i)(I) of this subparagraph, at a rate of six-
194 hundred-fifteen-thousandths per cent of the rent paid to a hotel or
195 lodging house for the first period not exceeding thirty consecutive
196 calendar days;

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

200 (C) With respect to the storage, acceptance, consumption or use in
201 this state of a motor vehicle purchased from any retailer for storage,
202 acceptance, consumption or use in this state by any individual who is a
203 member of the armed forces of the United States and is on full-time
204 active duty in Connecticut and who is considered, under 50 App USC
205 574, a resident of another state, or to any such individual and the spouse
206 of such individual at a rate of four and one-half per cent of the sales price

207 of such vehicle, provided such retailer requires and maintains a
208 declaration by such individual, prescribed as to form by the
209 commissioner and bearing notice to the effect that false statements made
210 in such declaration are punishable, or other evidence, satisfactory to the
211 commissioner, concerning the purchaser's state of residence under 50
212 App USC 574;

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

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

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

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

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

236 (F) With respect to the acceptance or receipt in this state of patient
237 care services purchased from any retailer for consumption or use in this

238 state for which payment is received by the hospital on or after July 1,
239 1999, and prior to July 1, 2001, at the rate of five and three-fourths per
240 cent and on and after July 1, 2001, such services shall be exempt from
241 such tax;

242 (G) With respect to the rental or leasing of a passenger motor vehicle
243 for a period of thirty consecutive calendar days or less, (i) at a rate of
244 nine and thirty-five-hundredths per cent, and (ii) on and after July 1,
245 2024, through June 30, 2028, in addition to the tax imposed under clause
246 (i) of this subparagraph, at a rate of six-hundred-fifteen-thousandths per
247 cent;

248 (H) With respect to the acceptance or receipt in this state of (i) a motor
249 vehicle for a sales price exceeding fifty thousand dollars, at a rate of
250 seven and three-fourths per cent on the entire sales price, (ii) jewelry,
251 whether real or imitation, for a sales price exceeding five thousand
252 dollars, at a rate of seven and three-fourths per cent on the entire sales
253 price, and (iii) an article of clothing or footwear intended to be worn on
254 or about the human body, a handbag, luggage, umbrella, wallet or
255 watch for a sales price exceeding one thousand dollars, at a rate of seven
256 and three-fourths per cent on the entire sales price. For purposes of this
257 subparagraph, "motor vehicle" has the meaning provided in section 14-
258 1, but does not include a motor vehicle subject to the provisions of
259 subparagraph (C) of this subdivision, a motor vehicle having a gross
260 vehicle weight rating over twelve thousand five hundred pounds, or a
261 motor vehicle having a gross vehicle weight rating of twelve thousand
262 five hundred pounds or less that is not used for private passenger
263 purposes, but is designed or used to transport merchandise, freight or
264 persons in connection with any business enterprise and issued a
265 commercial registration or more specific type of registration by the
266 Department of Motor Vehicles;

267 (I) With respect to the acceptance or receipt in this state of meals, as
268 defined in subdivision (13) of section 12-412, sold by an eating
269 establishment, caterer or grocery store; and spirituous, malt or vinous
270 liquors, soft drinks, sodas or beverages such as are ordinarily dispensed

271 at bars and soda fountains, or in connection therewith; in addition to the
272 tax imposed under subparagraph (A) of this subdivision, at the rate of
273 one per cent;

274 (J) (i) For calendar quarters ending on or after September 30, 2019, the
275 commissioner shall deposit into the regional planning incentive
276 account, established pursuant to section 4-66k, six and seven-tenths per
277 cent of the amounts received by the state from the tax imposed under
278 [subparagraph (B)] subparagraphs (B)(i)(I) and (B)(ii) of this subdivision
279 and ten and seven-tenths per cent of the amounts received by the state
280 from the tax imposed under subparagraph (G)(i) of this subdivision;

281 (ii) For calendar quarters ending on or after September 30, 2018, the
282 commissioner shall deposit into the Tourism Fund established under
283 section 10-395b ten per cent of the amounts received by the state from
284 the tax imposed under [subparagraph (B)] subparagraphs (B)(i)(I) and
285 (B)(ii) of this subdivision;

286 (K) (i) For calendar months commencing on or after July 1, 2021, but
287 prior to July 1, 2023, the commissioner shall deposit into the municipal
288 revenue sharing account established pursuant to section 4-66l seven and
289 nine-tenths per cent of the amounts received by the state from the tax
290 imposed under subparagraph (A) of this subdivision, including such
291 amounts received on or after July 1, 2023, attributable to the fiscal year
292 ending June 30, 2023; [and]

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

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

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

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

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

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

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

332 (M) For calendar months commencing on or after July 1, 2024, but
333 prior to July 1, 2028, the commissioner shall deposit into the America

334 250 account established under section 3 of this act the amounts received
335 by the state from the tax imposed under subparagraphs (B)(i)(II) and
336 (G)(ii) of this subdivision.

337 Sec. 3. (NEW) (*Effective July 1, 2024*) There is established an account
338 to be known as the "America 250 account" which shall be a separate,
339 nonlapsing account. The account shall contain any moneys required by
340 law to be deposited in the account. Moneys in the account shall be
341 expended by the Secretary of the Office of Policy and Management for
342 the purposes of funding the America 250 semiquincentennial initiative.

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

Statement of Purpose:

To temporarily increase the rates of the room occupancy tax on hotels and lodging houses and the sales and use taxes on the rental or leasing of a passenger motor vehicle and dedicate the additional revenue generated from such increases to be used for the America 250 semiquincentennial initiative.

[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.]