



# *Town of Simsbury*

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

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## **Work Group Reviewing an Ordinance Regarding Short-Term Rentals**

April 8, 2021

8:00AM

Zoom

### **SPECIAL MEETING AGENDA**

Call to Order

- 1) Recap and Review of Work Group's Work to Date
- 2) Update on State Legislation on Short-Term Rentals
  - a. Progress and Status Update of SB1025
- 3) Next Steps and Meeting Dates
- 4) Approval of Minutes
  - a. March 9, 2020

Adjournment



# Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

## TOWN OF SIMSBURY Short-Term Rental Ordinance

*Adopted by the Board of Selectmen on [month] [day], [year]*

### I. Purpose

The purpose of this ordinance is to establish regulations on short term rentals in the Town of Simsbury. By establishing these regulations the Town will be able to monitor short term rental listings in Simsbury while also maintaining the characteristics that define Simsbury.

### II. Definitions

- A. Occupant:** Any person(s), and their guests, who have entered into an agreement with a property owner for the use of the short term rental.
- B. Owner:** Any person(s) who holds the legal right to the property or beneficiary of like estate and uses the property as their legal residence.
- C. Owner Occupied:** During the course of the rental period, the owner (as defined above) is present inside the dwelling.
- D. Primary Residence:** An owner who spends at least 183 days at their property is defined as a primary resident.
- E. Short Term Rental:** Any property rented by a person(s), of 18 years or older, for a period of one (1) to twenty-nine (29) consecutive days. A short term rental must have separate sleeping areas established for guests and guests must have at least shared access to one (1) full bathroom and cooking area.
- F. Sleeping Area:** A sleeping area is defined as a separate space, with a bed provided that the guest(s) of a short term rental have access to. This area must be inside the dwelling and cannot include: tents, outdoor areas, and/or recreational vehicles. A minimum of 75 square feet of sleeping area per guest shall be provided.
- G. Authorized Enforcement Agency:** Employees or designees of the town as designated by the Town Manager to enforce this ordinance.

### III. Permit Required

- A.** No one shall be allowed to operate a short term rental in the Town of Simsbury without a valid short term rental permit authorized by the Planning

and Land Use Department. Failure to secure a permit is considered a violation of this ordinance and subject to fines and enforcement stated in below sections.

- B. Only the legal property owner(s) may apply for and obtain a short term rental permit.

#### IV. Application Process for a Short Term Rental Permit

##### A. How to Apply

- i. An application form from the Planning and Land Use Department must be completed.
    - 1. All information entered on the form must be as current and accurate as possible.
    - 2. To be included in the application is:
      - a. A list of all owner(s) and Primary residents of the property, and their contact information.
      - b. The number of separate sleeping spaces made available to guest(s) of the short term rental.
  - ii. A new application fee of two hundred dollars (\$200) will be charged if your application for a short term rental permit is approved.
  - iii. The Director of Planning and Community Development, or his/her designee, has the authority to approve or deny any application for a short term rental in the Town of Simsbury.
  - iv. An initial safety inspection must be completed by a staff member of the Planning or Building Department before a permit may be issued.
- B. An application must be fully complete when being submitted to the Planning and Land Use Department. The Town will not accept incomplete applications.

##### C. Limit to Amount of Rentals

- i. No owner may rent their property as a short term rental for more than one hundred (100) days during any one year period of their short term rental permit.

##### D. Parking Requirements

- i. Each parking space shall have an area of not less than nine (9) feet by eighteen (18) feet, plus adequate driveways. All required parking spaces shall be located on paved surfaces.
- ii. No renter may park their vehicle on a public street between the hours of 2:00AM and 5:30AM.

##### E. Neighbor Notification

- i. Within five (5) days after the date of receipt of the application, the applicant shall submit, as part of the application record, the name(s) and

address(es) of the owner(s) of record of all lands abutting or within one hundred (100) feet of the subject property, as listed on the last-completed grand list of the Town of Simsbury.

- ii. Notice of the permit shall be mailed by the applicant to the owner(s) of record of all lands within one hundred (100) feet of the subject property not fewer than ten (10) days after application is filed. Applicant is to provide copies of certificate of mailings were completed to Planning Department staff for issuance of permit.
- iii. Applications for permit renewals are not required to notify abutting property owner(s) as outlined above.

#### **F. Owner Occupancy Requirement**

- i. If the property is located in a \_\_\_\_ zone according to the Town of Simsbury Zoning Regulations, the Owner, as defined above, of the property must be present during the rental period of the property. Any owner who is not present during the rental will be violating this ordinance and subject to the enforcement and penalties stated in subsequent sections below, including revocation of their short term rental permit.

#### **G. Place of Primary Residence**

- i. If the property is located in a \_\_\_\_ zone according the to the Town of Simsbury Zoning Regulations, the Owner, as defined above, may rent the property, while not present during the rental, as long as it is their place of primary residence for the majority of the year.

#### **H. Accessory Dwellings**

- i. Accessory dwellings, either attached or unattached, are permitted to be used as short-term rentals provided that:
  - 1. They meet the same standards set forth in this ordinance as a traditional single family house
  - 2. They are at least XX feet from the property line
  - 3. They have at least 1 full bathroom
  - 4. They have proper, functioning heating and cooling

#### **I. Single Family and Multifamily Neighborhoods**

- i. \_\_\_\_\_

### **V. Expiration and Renewal Process of Permit**

#### **A. Expiration**

- i. All short term rental permits are valid for one year from date issued.

- ii. Permits become invalid at 11:59 PM on the listed expiration date of the short term rental permit.

#### **B. Renewal Process**

- i. An application for renewal of a short term rental permit must be submitted to the Planning and Land Use Department at least one (1) month but no more than three (3) months before the expiration date of the current permit.
- ii. Applicants must bring in the following forms when applying for a renewal:
  - 1. The previous year's approved permit.
  - 2. An updated application, if any requested information has changed in the past year.
  - 3. A renewal fee of **one hundred thirty dollars (\$130)**.
  - 4. Copies of sales tax receipts from the previous calendar year.
- iii. If the Director of Planning and Community Development, or his/her designee, sees fit he/she may authorize a renewal inspection of the property before granting a renewed permit. The Director of Planning and Community Development, or his/her designee, has the authority to reject an application for renewal.
- iv. A renewal is when an owner had a valid short term rental permit in the previous year that was not revoked by staff. A gap of eight (8) or more months between an expired permit and an application for a renew permit will be treated as a new application for a short term rental permit and should follow the steps in Section IV, A.

#### **VI. Non-transferability**

- A. A short term rental permit is not transferable to another owner, operator or property.

#### **VII. General Standards**

##### **A. Maximum Occupancy**

- i. The maximum occupancy for a dwelling is 6 unrelated adults.

##### **B. Safety**

- i. A short term rental property must have:
  - 1. Working smoke and Carbon Monoxide detectors with placement following town/State building codes.
  - 2. A working fire extinguisher shall be located in the dwelling at all times when the property is being used a short term rental.

3. A clear path of egress is always visible while the property is available for rent.
4. Properly functioning windows and doors in all livable spaces of the dwelling.
5. Sleeping accommodations are to the state building code.

#### **C. Conduct**

- i. Short term rental guests are subject to all relevant town codes and ordinances. It is up to short term rental owners to notify their guests of any applicable codes and ordinances and to ensure that they are followed.
- ii. Excessive noise or other disturbances are prohibited
- iii. No activities in excess of 75 decibels at the property line are allowed.
- iv. No outdoor events are allowed.
- v. No indoor or outdoor events are allowed
- vi. No guest may spend the night sleeping outdoors.
- vii. No signage advertising the property as a short term rental is allowed.

#### **VIII. Inspections**

- A. When violations are suspected, Town officials have the right to perform inspections, both externally and internally, of a short term rental property.

#### **IX. Enforcement**

- A. The authorized enforcement agency, as defined in section II.G, has the right to determine if a violation has occurred and then take action to correct said violation.
- B. A violation consists of but not limited to operating a short term rental without a valid short term rental permit, as well as using a property as a short term rental for anything other than the allowed uses stated earlier in this document.
- C. The authorized enforcement agency has the authority to suspend a short term rental permit until the owner comes into compliance.
  - i. The Director of Planning and Community Development, or his/her designee, shall give the owner thirty (30) days to correct the violations.
  - ii. This suspension will not delay the expiration of an owner's short term rental permit.
- D. Violations of this ordinance can lead to daily fines of up to \$250
- E. [Insert CT General Statute about fines?]

#### **X. Revocation Procedure**

- A. If any violations determined by the authorized enforcement agency, do not get corrected in the given timeframe, the Director of Planning and Community Development has the authority to revoke an owner's short term rental permit.

- B. If an owner has their short term rental permit revoked a new permit may not be granted to that property for 12 months.

## **XI. Appeals**

- A. **Permit Appeals.** An appeal must be received in writing and filed with the Town Clerk's Office within ten (10) business days from receipt of the notice of the written decision. For this purpose, notice shall be deemed received three (3) calendar days from the date of the written decision. Hearing on the appeal before the Hearing Officer shall take place at its next meeting, but not to exceed fifteen (15) business days from the date of receipt of the notice of appeal. The decision of the Hearing Officer shall be final.
- B. **Citation Appeals.** Any person receiving a fine may appeal the determination of the authorized enforcement agency. The notice of appeal must be received in writing and filed with the Town Clerk's Office within ten (10) business days from receipt of the notice of the fine. For this purpose, notice shall be deemed received three (3) calendar days from the date of the notice. Hearing on the appeal before the Hearing Officer shall take place within thirty (30) business days from the date of receipt of the notice of appeal. The decision of the Hearing Officer shall be final.



General Assembly

January Session, 2021

***Raised Bill No. 1025***

LCO No. 4725



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:  
(PD)

***AN ACT CONCERNING SHORT-TERM RENTAL PROPERTIES.***

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

1 Section 1. (NEW) (*Effective July 1, 2021*) For the purposes of this  
2 section and sections 2 to 4, inclusive, of this act:

3 (1) "Applicant" means a person who files an application with the  
4 commissioner pursuant to section 2 of this act;

5 (2) "Commissioner" means the Commissioner of Consumer  
6 Protection;

7 (3) "Dwelling unit" has the same meaning as provided in section 47a-  
8 1 of the general statutes;

9 (4) "Guest" means an individual, other than the owner, lessee, lessor,  
10 sublessee or sublessor of a short-term rental property, who occupies a  
11 short-term rental property pursuant to a short-term rental transaction;

12 (5) "Short-term rental operator" means the owner, lessee or sublessee  
13 of a short-term rental property who offers the short-term rental property



14 for occupancy by a guest pursuant to a short-term rental transaction;

15 (6) "Short-term rental platform" means any platform, including, but  
16 not limited to, an Internet web site, that (A) allows a short-term rental  
17 operator to offer a dwelling unit, or any portion thereof, for occupancy  
18 as a short-term rental property, (B) allows a potential guest to arrange  
19 payment for occupancy of a short-term rental property, whether such  
20 guest pays directly to a short-term rental operator or through the  
21 platform, and (C) allows the platform operator to derive revenues from  
22 providing or maintaining the services described in this subdivision for  
23 a short-term rental property;

24 (7) "Short-term rental property" means a dwelling unit, or any portion  
25 thereof, in this state that is (A) the subject of a short-term rental  
26 transaction, and (B) not a hotel, lodging house or bed and breakfast  
27 establishment; and

28 (8) "Short-term rental transaction" means a transaction in which a  
29 short-term rental operator offers a short-term rental property for  
30 occupancy by a guest through a short-term rental platform for a period  
31 of thirty consecutive calendar days or less.

32 Sec. 2. (NEW) (*Effective July 1, 2021*) (a) (1) Each short-term rental  
33 operator or prospective short-term rental operator shall apply for a  
34 license from the commissioner for each dwelling unit that such person  
35 intends to operate as a short-term rental property on or after January 1,  
36 2022. Each application for a license, or renewal of a license, pursuant to  
37 this subsection shall be made on a form prescribed by the commissioner.  
38 The commissioner shall require, as a precondition to issuing or  
39 renewing a license pursuant to this subsection, that the applicant submit  
40 to the commissioner, in a form and manner prescribed by the  
41 commissioner, proof that the applicant:

42 (A) Maintains a property and casualty insurance policy that contains  
43 the minimum provisions prescribed by the Insurance Commissioner  
44 pursuant to section 5 of this act;

45 (B) Provided all notices required by section 3 of this act; and

46 (C) In the case of an application for renewal of a license under this  
47 subsection:

48 (i) Maintained the insurance coverage described in subparagraph (A)  
49 of this subdivision during the two years immediately preceding;

50 (ii) Paid any and all sales and use taxes due and payable to this state,  
51 and any and all taxes due and payable to a municipality pursuant to  
52 section 6 of this act, during the two years immediately preceding;

53 (iii) Provided all notices required by section 3 of this act; and

54 (iv) Complied with the provisions of any ordinance enacted pursuant  
55 to section 7 of this act during the two years immediately preceding.

56 (2) Each license issued by the commissioner pursuant to this  
57 subsection shall expire two years after its issuance. The commissioner  
58 may refuse to issue or renew, or may suspend or revoke, any license  
59 required by this section if the applicant for such license or renewal  
60 engages in any conduct prohibited by this section.

61 (3) Not later than fifteen days after the commissioner issues or renews  
62 a license pursuant to this subsection, the commissioner shall send a  
63 notice, in a form and manner prescribed by the commissioner, to the  
64 Commissioner of Revenue Services disclosing:

65 (A) The name of the applicant for such license or renewal; and

66 (B) The address of the licensed short-term rental property.

67 (b) If the commissioner refuses to issue or renew, or suspends or  
68 revokes, a license pursuant to subsection (a) of this section, the  
69 commissioner shall notify the applicant or short-term rental operator, as  
70 applicable, of such decision, the grounds for such decision and of such  
71 applicant's or short-term rental operator's right to request a hearing not  
72 later than ten days after the date on which the commissioner issued such

73 notice to such applicant. If the applicant or short-term rental operator  
 74 requests a hearing within such ten-day period, the commissioner shall  
 75 conduct a hearing concerning such refusal, suspension or revocation in  
 76 accordance with the provisions of chapter 54 of the general statutes  
 77 concerning contested cases. The applicant or short-term rental operator  
 78 may appeal therefrom in accordance with the provisions of section 4-  
 79 183 of the general statutes.

80 (c) The Attorney General, at the request of the commissioner, is  
 81 authorized to apply in the name of this state to the Superior Court for  
 82 an order temporarily or permanently restraining and enjoining any  
 83 short-term rental operator from operating in violation of any provision  
 84 of sections 1 to 4, inclusive, of this act.

85 Sec. 3. (NEW) (*Effective July 1, 2021*) Not later than the day that an  
 86 applicant files an application with the commissioner pursuant to section  
 87 2 of this act, the applicant shall send a notice, in a form and manner  
 88 prescribed by the commissioner, to the owner, lessor or sublessor of the  
 89 dwelling unit or short-term rental property that is the subject of such  
 90 application, and all owners, lessors, lessees, sublessors and sublessees  
 91 of abutting and adjacent dwelling units, disclosing:

92 (1) The name of such applicant;

93 (2) The address of such dwelling unit or short-term rental property;  
 94 and

95 (3) That such applicant has filed, or intends to file, such application.

96 Sec. 4. (NEW) (*Effective July 1, 2021*) The commissioner may adopt  
 97 regulations, in accordance with the provisions of chapter 54 of the  
 98 general statutes, to implement the provisions of sections 1 to 3, inclusive,  
 99 of this act.

100 Sec. 5. (NEW) (*Effective July 1, 2021*) The Insurance Commissioner  
 101 shall adopt regulations, in accordance with the provisions of chapter 54  
 102 of the general statutes, prescribing the minimum provisions to be

103 included in each property and casualty policy issued on or after the  
 104 effective date of such regulations covering a short-term rental property,  
 105 as defined in section 1 of this act. Such policy shall include liability  
 106 coverage of not less than one million dollars against claims for bodily  
 107 injury or death and property damage.

108       Sec. 6. (NEW) (*Effective July 1, 2021*) Any municipality may, by vote  
 109 of its legislative body or, in a municipality where the legislative body is  
 110 a town meeting, by vote of the board of selectmen, levy a tax on each  
 111 short-term rental operator operating one or more short-term rental  
 112 properties, as both terms are defined in section 1 of this act, within such  
 113 municipality, provided such tax shall not exceed an amount that is equal  
 114 to six per cent of such short-term rental operator's income from all short-  
 115 term rental transactions, as defined in section 1 of this act, concerning  
 116 such short-term rental properties during the tax year for which such tax  
 117 is levied.

118       Sec. 7. (NEW) (*Effective July 1, 2021*) Any municipality may, by vote  
 119 of its legislative body or, in a municipality where the legislative body is  
 120 a town meeting, by vote of the board of selectmen, limit the number of  
 121 days that guests may occupy a short-term rental property during a  
 122 calendar year. For the purposes of this section, "guest" and "short-term  
 123 rental property" have the same meaning as provided in section 1 of this  
 124 act.

125       Sec. 8. Section 12-407 of the general statutes is repealed and the  
 126 following is substituted in lieu thereof (*Effective July 1, 2021, and*  
 127 *applicable to sales occurring on or after July 1, 2021*):

128       (a) Whenever used in this chapter:

129       (1) "Person" means and includes any individual, firm, copartnership,  
 130 joint venture, association, association of persons however formed, social  
 131 club, fraternal organization, corporation, limited liability company,  
 132 foreign municipal electric utility as defined in section 12-59, estate, trust,  
 133 fiduciary, receiver, trustee, syndicate, the United States, this state or any  
 134 political subdivision thereof or any group or combination acting as a

135 unit, and any other individual or officer acting under the authority of  
136 any court in this state.

137 (2) "Sale" and "selling" mean and include:

138 (A) Any transfer of title, exchange or barter, conditional or otherwise,  
139 in any manner or by any means whatsoever, of tangible personal  
140 property for a consideration;

141 (B) Any withdrawal, except a withdrawal pursuant to a transaction  
142 in foreign or interstate commerce, of tangible personal property from  
143 the place where it is located for delivery to a point in this state for the  
144 purpose of the transfer of title, exchange or barter, conditional or  
145 otherwise, in any manner or by any means whatsoever, of the property  
146 for a consideration;

147 (C) The producing, fabricating, processing, printing or imprinting of  
148 tangible personal property for a consideration for consumers who  
149 furnish either directly or indirectly the materials used in the producing,  
150 fabricating, processing, printing or imprinting, including, but not  
151 limited to, sign construction, photofinishing, duplicating and  
152 photocopying;

153 (D) The furnishing and distributing of tangible personal property for  
154 a consideration by social clubs and fraternal organizations to their  
155 members or others;

156 (E) The furnishing, preparing, or serving for a consideration of food,  
157 meals or drinks;

158 (F) A transaction whereby the possession of property is transferred  
159 but the seller retains the title as security for the payment of the price;

160 (G) A transfer for a consideration of the title of tangible personal  
161 property which has been produced, fabricated or printed to the special  
162 order of the customer, or of any publication, including, but not limited  
163 to, sign construction, photofinishing, duplicating and photocopying;

164 (H) A transfer for a consideration of the occupancy of any room or  
165 rooms in a hotel, lodging house, [or] bed and breakfast establishment or  
166 short-term rental property for a period of thirty consecutive calendar  
167 days or less;

168 (I) The rendering of certain services, as defined in subdivision (37) of  
169 this subsection, for a consideration, exclusive of such services rendered  
170 by an employee for the employer;

171 (J) The leasing or rental of tangible personal property of any kind  
172 whatsoever, including, but not limited to, motor vehicles, linen or  
173 towels, machinery or apparatus, office equipment and data processing  
174 equipment, provided for purposes of this subdivision and the  
175 application of sales and use tax to contracts of lease or rental of tangible  
176 personal property, the leasing or rental of any motion picture film by  
177 the owner or operator of a motion picture theater for purposes of display  
178 at such theater shall not constitute a sale within the meaning of this  
179 subsection;

180 (K) The rendering of telecommunications service, as defined in  
181 subdivision (26) of this subsection, for a consideration on or after  
182 January 1, 1990, exclusive of any such service rendered by an employee  
183 for the employer of such employee, subject to the provisions related to  
184 telecommunications service in accordance with section 12-407a;

185 (L) (i) The rendering of community antenna television service, as  
186 defined in subdivision (27) of this subsection, for a consideration on or  
187 after January 1, 1990, exclusive of any such service rendered by an  
188 employee for the employer of such employee. For purposes of this  
189 chapter, "community antenna television service" includes service  
190 provided by a holder of a certificate of cable franchise authority  
191 pursuant to section 16-331p, and service provided by a community  
192 antenna television company issued a certificate of video franchise  
193 authority pursuant to section 16-331e for any service area in which it  
194 was not certified to provide community antenna television service  
195 pursuant to section 16-331 on or before October 1, 2007;

196       (ii) The rendering of certified competitive video service, as defined in  
197 subdivision (38) of this subsection, for consideration on or after October  
198 1, 2007, exclusive of any such service rendered by an employee for the  
199 employer of such employee;

200       (M) The transfer for consideration of space or the right to use any  
201 space for the purpose of storage or mooring of any noncommercial  
202 vessel, exclusive of dry or wet storage or mooring of such vessel during  
203 the period commencing on the first day of October in any year to and  
204 including the thirty-first day of May of the next succeeding year;

205       (N) The sale for consideration of naming rights to any place of  
206 amusement, entertainment or recreation within the meaning of  
207 subdivision (3) of section 12-540;

208       (O) The transfer for consideration of a prepaid telephone calling  
209 service, as defined in subdivision (34) of this subsection, and the  
210 recharge of a prepaid telephone calling service, provided, if the sale or  
211 recharge of a prepaid telephone calling service does not take place at the  
212 retailer's place of business and an item is shipped by the retailer to the  
213 customer, the sale or recharge shall be deemed to take place at the  
214 customer's shipping address, but, if such sale or recharge does not take  
215 place at the retailer's place of business and no item is shipped by the  
216 retailer to the customer, the sale or recharge shall be deemed to take  
217 place at the customer's billing address or the location associated with  
218 the customer's mobile telephone number; and

219       (P) The furnishing by any person, for a consideration, of space for  
220 storage of tangible personal property when such person is engaged in  
221 the business of furnishing such space, but "sale" and "selling" do not  
222 mean or include the furnishing of space which is used by a person for  
223 residential purposes. As used in this subparagraph, "space for storage"  
224 means secure areas, such as rooms, units, compartments or containers,  
225 whether accessible from outside or from within a building, that are  
226 designated for the use of a customer, where the customer can store and  
227 retrieve property, including self-storage units, mini-storage units and

228 areas by any other name to which the customer has either unlimited free  
 229 access or free access within reasonable business hours or upon  
 230 reasonable notice to the service provider to add or remove property, but  
 231 does not mean the rental of an entire building, such as a warehouse. For  
 232 purposes of this subparagraph, furnishing space for storage shall not  
 233 include general warehousing and storage, where the warehouse  
 234 typically handles, stores and retrieves a customer's property using the  
 235 warehouse's staff and equipment and does not allow the customer free  
 236 access to the storage space and shall not include accepting specific items  
 237 of property for storage, such as clothing at a dry cleaning establishment  
 238 or golf bags at a golf club.

239 (3) (A) "Retail sale" or "sale at retail" means and includes a sale for  
 240 any purpose other than resale in the regular course of business of  
 241 tangible personal property or a transfer for a consideration of the  
 242 occupancy of any room or rooms in a hotel, lodging house, [or] bed and  
 243 breakfast establishment or short-term rental property for a period of  
 244 thirty consecutive calendar days or less, or the rendering of any service  
 245 described in subdivision (2) of this subsection. The delivery in this state  
 246 of tangible personal property by an owner or former owner thereof or  
 247 by a factor, if the delivery is to a consumer pursuant to a retail sale made  
 248 by a retailer not engaged in business in this state, is a retail sale in this  
 249 state by the person making the delivery. Such person shall include the  
 250 retail selling price of the property in such person's gross receipts.

251 (B) "Retail sale" or "sale at retail" does not include any sale of any  
 252 tangible personal property, where, no later than one hundred twenty  
 253 days after the original sale, the original purchaser sells or becomes  
 254 contractually obligated to sell such property to a retailer who is  
 255 contractually obligated to lease such property back to such original  
 256 purchaser in a lease that is taxable under this chapter or the sale of such  
 257 property by the original purchaser to the retailer who is contractually  
 258 obligated to lease such property back to such original purchaser in a  
 259 lease that is taxable under this chapter. If the original purchaser has paid  
 260 sales or use tax on the original sale of such property to the original  
 261 purchaser, such original purchaser may (i) claim a refund of such tax



262 under the provisions of section 12-425, upon presentation of proof  
263 satisfactory to the commissioner that the mutual contractual obligations  
264 described in this subparagraph were undertaken no later than one  
265 hundred twenty days after the original sale and that such tax was paid  
266 to the original retailer on the original sale and was remitted to the  
267 commissioner by such original retailer or by such original purchaser, or  
268 (ii) issue at the time of such original sale or no later than one hundred  
269 twenty days thereafter a certificate, in the form prescribed by the  
270 commissioner, to the original retailer certifying that the mutual  
271 contractual obligations described in this subparagraph have been  
272 undertaken. If such certificate is issued to the original retailer at the time  
273 of the original sale, no tax on the original sale shall be collected by the  
274 original retailer from the original purchaser. If the certificate is issued  
275 after the time of the original sale but no later than one hundred twenty  
276 days thereafter, the original retailer shall refund to the original  
277 purchaser the tax collected on the original sale and, if the original  
278 retailer has previously remitted the tax to the commissioner, the original  
279 retailer may either treat the amount so refunded as a credit against the  
280 tax due on the return next filed under this chapter, or claim a refund  
281 under section 12-425. If such certificate is issued no later than one  
282 hundred twenty days after the time of the original sale but the tangible  
283 personal property originally purchased is not, in fact, subsequently  
284 leased by the original purchaser, such original purchaser shall be liable  
285 for and be required to pay the tax due on the original sale.

286 (4) "Storage" includes any keeping or retention in this state for any  
287 purpose except sale in the regular course of business or subsequent use  
288 solely outside this state of tangible personal property purchased from a  
289 retailer.

290 (5) "Use" includes the exercise of any right or power over tangible  
291 personal property incident to the ownership of that property, except  
292 that it does not include the sale of that property in the regular course of  
293 business.

294 (6) "Storage" and "use" do not include (A) keeping, retaining or

295 exercising any right or power over tangible personal property shipped  
 296 or brought into this state for the purpose of subsequently transporting  
 297 it outside the state for use thereafter solely outside the state, or for the  
 298 purpose of being processed, fabricated or manufactured into, attached  
 299 to or incorporated into, other tangible personal property to be  
 300 transported outside the state and thereafter used solely outside the state,  
 301 or (B) keeping, retaining or exercising any right or power over tangible  
 302 personal property acquired by the customer of a commercial printer  
 303 while such property is located at the premises of the commercial printer  
 304 in this state pursuant to a contract with such printer for printing and  
 305 distribution of printed material if the commercial printer could have  
 306 acquired such property without application of tax under this chapter.

307 (7) "Purchase" and "purchasing" means and includes: (A) Any  
 308 transfer, exchange or barter, conditional or otherwise, in any manner or  
 309 by any means whatsoever, of tangible personal property or of the  
 310 occupancy of any room or rooms in a hotel, lodging house, [or] bed and  
 311 breakfast establishment or short-term rental property for a period of  
 312 thirty consecutive calendar days or less for a consideration; (B) a  
 313 transaction whereby the possession of property is transferred but the  
 314 seller retains the title as security for the payment of the price; (C) a  
 315 transfer for a consideration of tangible personal property which has  
 316 been produced, fabricated or printed to the special order of the  
 317 customer, or of any publication; (D) when performed outside this state  
 318 or when the customer gives a resale certificate pursuant to section 12-  
 319 410, the producing, fabricating, processing, printing or imprinting of  
 320 tangible personal property for a consideration for consumers who  
 321 furnish either directly or indirectly the materials used in the producing,  
 322 fabricating, processing, printing or imprinting; (E) the acceptance or  
 323 receipt of any service described in any of the subparagraphs of  
 324 subdivision (2) of this subsection; (F) any leasing or rental of tangible  
 325 personal property. Wherever in this chapter reference is made to the  
 326 purchase or purchasing of tangible personal property, it shall be  
 327 construed to include purchases as described in this subsection.

328 (8) (A) "Sales price" means the total amount for which tangible

329 personal property is sold by a retailer, the total amount of rent for which  
 330 occupancy of a room is transferred by an operator, the total amount for  
 331 which any service described in subdivision (2) of this subsection is  
 332 rendered by a retailer or the total amount of payment or periodic  
 333 payments for which tangible personal property is leased by a retailer,  
 334 valued in money, whether paid in money or otherwise, which amount  
 335 is due and owing to the retailer or operator and, subject to the provisions  
 336 of subdivision (1) of section 12-408, as amended by this act, whether or  
 337 not actually received by the retailer or operator, without any deduction  
 338 on account of any of the following: (i) The cost of the property sold; (ii)  
 339 the cost of materials used, labor or service cost, interest charged, losses  
 340 or any other expenses; (iii) for any sale occurring on or after July 1, 1993,  
 341 any charges by the retailer to the purchaser for shipping or delivery,  
 342 notwithstanding whether such charges are separately stated in a written  
 343 contract, or on a bill or invoice rendered to such purchaser or whether  
 344 such shipping or delivery is provided by the retailer or a third party.  
 345 The provisions of subparagraph (A) (iii) of this subdivision shall not  
 346 apply to any item exempt from taxation pursuant to section 12-412. Such  
 347 total amount includes any services that are a part of the sale; except as  
 348 otherwise provided in subparagraph (B)(v) or (B)(vi) of this subdivision,  
 349 any amount for which credit is given to the purchaser by the retailer,  
 350 and all compensation and all employment-related expenses, whether or  
 351 not separately stated, paid to or on behalf of employees of a retailer of  
 352 any service described in subdivision (2) of this subsection.

353 (B) "Sales price" does not include any of the following: (i) Cash  
 354 discounts allowed and taken on sales; (ii) any portion of the amount  
 355 charged for property returned by purchasers, which upon rescission of  
 356 the contract of sale is refunded either in cash or credit, provided the  
 357 property is returned within ninety days from the date of purchase; (iii)  
 358 the amount of any tax, not including any manufacturers' or importers'  
 359 excise tax, imposed by the United States upon or with respect to retail  
 360 sales whether imposed upon the retailer or the purchaser; (iv) the  
 361 amount charged for labor rendered in installing or applying the  
 362 property sold, provided such charge is separately stated and exclusive

363 of such charge for any service rendered within the purview of  
364 subparagraph (I) of subdivision (37) of this subsection; (v) unless the  
365 provisions of subdivision (4) of section 12-430 or of section 12-430a are  
366 applicable, any amount for which credit is given to the purchaser by the  
367 retailer, provided such credit is given solely for property of the same  
368 kind accepted in part payment by the retailer and intended by the  
369 retailer to be resold; (vi) the full face value of any coupon used by a  
370 purchaser to reduce the price paid to a retailer for an item of tangible  
371 personal property, whether or not the retailer will be reimbursed for  
372 such coupon, in whole or in part, by the manufacturer of the item of  
373 tangible personal property or by a third party; (vii) the amount charged  
374 for separately stated compensation, fringe benefits, workers'  
375 compensation and payroll taxes or assessments paid to or on behalf of  
376 employees of a retailer who has contracted to manage a service  
377 recipient's property or business premises and renders management  
378 services described in subparagraph (I) or (J) of subdivision (37) of this  
379 subsection, provided, the employees perform such services solely for  
380 the service recipient at its property or business premises and "sales  
381 price" shall include the separately stated compensation, fringe benefits,  
382 workers' compensation and payroll taxes or assessments paid to or on  
383 behalf of any employee of the retailer who is an officer, director or  
384 owner of more than five per cent of the outstanding capital stock of the  
385 retailer. Determination whether an employee performs services solely  
386 for a service recipient at its property or business premises for purposes  
387 of this subdivision shall be made by reference to such employee's  
388 activities during the time period beginning on the later of the  
389 commencement of the management contract, the date of the employee's  
390 first employment by the retailer or the date which is six months  
391 immediately preceding the date of such determination; (viii) the amount  
392 charged for separately stated compensation, fringe benefits, workers'  
393 compensation and payroll taxes or assessments paid to or on behalf of  
394 (I) a leased employee, or (II) a worksite employee by a professional  
395 employer organization pursuant to a professional employer agreement.  
396 For purposes of this subparagraph, an employee shall be treated as a  
397 leased employee if the employee is provided to the client at the

398 commencement of an agreement with an employee leasing organization  
399 under which at least seventy-five per cent of the employees provided to  
400 the client at the commencement of such initial agreement qualify as  
401 leased employees pursuant to Section 414(n) of the Internal Revenue  
402 Code of 1986, or any subsequent corresponding internal revenue code  
403 of the United States, as from time to time amended, or the employee is  
404 added to the client's workforce by the employee leasing organization  
405 subsequent to the commencement of such initial agreement and  
406 qualifies as a leased employee pursuant to Section 414(n) of said Internal  
407 Revenue Code of 1986 without regard to subparagraph (B) of paragraph  
408 (2) thereof. A leased employee, or a worksite employee subject to a  
409 professional employer agreement, shall not include any employee who  
410 is hired by a temporary help service and assigned to support or  
411 supplement the workforce of a temporary help service's client; (ix) any  
412 amount received by a retailer from a purchaser as the battery deposit  
413 that is required to be paid under subsection (a) of section 22a-245h; the  
414 refund value of a beverage container that is required to be paid under  
415 subsection (a) of section 22a-244; or a deposit that is required by law to  
416 be paid by the purchaser to the retailer and that is required by law to be  
417 refunded to the purchaser by the retailer when the same or similar  
418 tangible personal property is delivered as required by law to the retailer  
419 by the purchaser, if such amount is separately stated on the bill or  
420 invoice rendered by the retailer to the purchaser; and (x) the amount  
421 charged for separately stated compensation, fringe benefits, workers'  
422 compensation and payroll taxes or assessments paid to a media payroll  
423 services company, as defined in this subsection.

424 (9) (A) "Gross receipts" means the total amount of the sales price from  
425 retail sales of tangible personal property by a retailer, the total amount  
426 of the rent from transfers of occupancy of rooms by an operator, the total  
427 amount of the sales price from retail sales of any service described in  
428 subdivision (2) of this subsection by a retailer of services, or the total  
429 amount of payment or periodic payments from leases or rentals of  
430 tangible personal property by a retailer, valued in money, whether  
431 received in money or otherwise, which amount is due and owing to the

432 retailer or operator and, subject to the provisions of subdivision (1) of  
 433 section 12-408, as amended by this act, whether or not actually received  
 434 by the retailer or operator, without any deduction on account of any of  
 435 the following: (i) The cost of the property sold; however, in accordance  
 436 with such regulations as the Commissioner of Revenue Services may  
 437 prescribe, a deduction may be taken if the retailer has purchased  
 438 property for some other purpose than resale, has reimbursed the  
 439 retailer's vendor for tax which the vendor is required to pay to the state  
 440 or has paid the use tax with respect to the property, and has resold the  
 441 property prior to making any use of the property other than retention,  
 442 demonstration or display while holding it for sale in the regular course  
 443 of business. If such a deduction is taken by the retailer, no refund or  
 444 credit will be allowed to the retailer's vendor with respect to the sale of  
 445 the property; (ii) the cost of the materials used, labor or service cost,  
 446 interest paid, losses or any other expense; (iii) for any sale occurring on  
 447 or after July 1, 1993, except for any item exempt from taxation pursuant  
 448 to section 12-412, any charges by the retailer to the purchaser for  
 449 shipping or delivery, notwithstanding whether such charges are  
 450 separately stated in the written contract, or on a bill or invoice rendered  
 451 to such purchaser or whether such shipping or delivery is provided by  
 452 the retailer or a third party. The total amount of the sales price includes  
 453 any services that are a part of the sale; all receipts, cash, credits and  
 454 property of any kind; except as otherwise provided in subparagraph  
 455 (B)(v) or (B)(vi) of this subdivision, any amount for which credit is  
 456 allowed by the retailer to the purchaser; and all compensation and all  
 457 employment-related expenses, whether or not separately stated, paid to  
 458 or on behalf of employees of a retailer of any service described in  
 459 subdivision (2) of this subsection.

460 (B) "Gross receipts" do not include any of the following: (i) Cash  
 461 discounts allowed and taken on sales; (ii) any portion of the sales price  
 462 of property returned by purchasers, which upon rescission of the  
 463 contract of sale is refunded either in cash or credit, provided the  
 464 property is returned within ninety days from the date of sale; (iii) the  
 465 amount of any tax, not including any manufacturers' or importers'

466 excise tax, imposed by the United States upon or with respect to retail  
467 sales whether imposed upon the retailer or the purchaser; (iv) the  
468 amount charged for labor rendered in installing or applying the  
469 property sold, provided such charge is separately stated and exclusive  
470 of such charge for any service rendered within the purview of  
471 subparagraph (I) of subdivision (37) of this subsection; (v) unless the  
472 provisions of subdivision (4) of section 12-430 or of section 12-430a are  
473 applicable, any amount for which credit is given to the purchaser by the  
474 retailer, provided such credit is given solely for property of the same  
475 kind accepted in part payment by the retailer and intended by the  
476 retailer to be resold; (vi) the full face value of any coupon used by a  
477 purchaser to reduce the price paid to the retailer for an item of tangible  
478 personal property, whether or not the retailer will be reimbursed for  
479 such coupon, in whole or in part, by the manufacturer of the item of  
480 tangible personal property or by a third party; (vii) the amount charged  
481 for separately stated compensation, fringe benefits, workers'  
482 compensation and payroll taxes or assessments paid to or on behalf of  
483 employees of a retailer who has contracted to manage a service  
484 recipient's property or business premises and renders management  
485 services described in subparagraph (I) or (J) of subdivision (37) of this  
486 subsection, provided the employees perform such services solely for the  
487 service recipient at its property or business premises and "gross  
488 receipts" shall include the separately stated compensation, fringe  
489 benefits, workers' compensation and payroll taxes or assessments paid  
490 to or on behalf of any employee of the retailer who is an officer, director  
491 or owner of more than five per cent of the outstanding capital stock of  
492 the retailer. Determination whether an employee performs services  
493 solely for a service recipient at its property or business premises for  
494 purposes of this subdivision shall be made by reference to such  
495 employee's activities during the time period beginning on the later of  
496 the commencement of the management contract, the date of the  
497 employee's first employment by the retailer or the date which is six  
498 months immediately preceding the date of such determination; (viii) the  
499 amount charged for separately stated compensation, fringe benefits,  
500 workers' compensation and payroll taxes or assessments paid to or on

501 behalf of (I) a leased employee, or (II) a worksite employee by a  
502 professional employer organization pursuant to a professional  
503 employer agreement. For purposes of this subparagraph, an employee  
504 shall be treated as a leased employee if the employee is provided to the  
505 client at the commencement of an agreement with an employee leasing  
506 organization under which at least seventy-five per cent of the employees  
507 provided to the client at the commencement of such initial agreement  
508 qualify as leased employees pursuant to Section 414(n) of the Internal  
509 Revenue Code of 1986, or any subsequent corresponding internal  
510 revenue code of the United States, as from time to time amended, or the  
511 employee is added to the client's workforce by the employee leasing  
512 organization subsequent to the commencement of such initial  
513 agreement and qualifies as a leased employee pursuant to Section 414(n)  
514 of said Internal Revenue Code of 1986 without regard to subparagraph  
515 (B) of paragraph (2) thereof. A leased employee, or a worksite employee  
516 subject to a professional employer agreement, shall not include any  
517 employee who is hired by a temporary help service and assigned to  
518 support or supplement the workforce of a temporary help service's  
519 client; (ix) the amount received by a retailer from a purchaser as the  
520 battery deposit that is required to be paid under subsection (a) of section  
521 22a-256h; the refund value of a beverage container that is required to be  
522 paid under subsection (a) of section 22a-244 or a deposit that is required  
523 by law to be paid by the purchaser to the retailer and that is required by  
524 law to be refunded to the purchaser by the retailer when the same or  
525 similar tangible personal property is delivered as required by law to the  
526 retailer by the purchaser, if such amount is separately stated on the bill  
527 or invoice rendered by the retailer to the purchaser; and (x) the amount  
528 charged for separately stated compensation, fringe benefits, workers'  
529 compensation and payroll taxes or assessments paid to a media payroll  
530 services company, as defined in this subsection.

531 (10) "Business" includes any activity engaged in by any person or  
532 caused to be engaged in by any person with the object of gain, benefit  
533 or advantage, either direct or indirect.

534 (11) "Seller" includes every person engaged in the business of selling



535 tangible personal property or rendering any service described in any of  
536 the subparagraphs of subdivision (2) of this subsection, the gross  
537 receipts from the retail sale of which are required to be included in the  
538 measure of the sales tax and every operator as defined in subdivision  
539 (18) of this subsection.

540 (12) "Retailer" includes:

541 (A) Every person engaged in the business of making sales at retail or  
542 in the business of making retail sales at auction of tangible personal  
543 property owned by the person or others;

544 (B) Every person engaged in the business of making sales for storage,  
545 use or other consumption or in the business of making sales at auction  
546 of tangible personal property owned by the person or others for storage,  
547 use or other consumption;

548 (C) Every operator, as defined in subdivision (18) of this subsection;

549 (D) Every seller rendering any service described in subdivision (2) of  
550 this subsection;

551 (E) Every person under whom any salesman, representative, peddler  
552 or canvasser operates in this state, or from whom such salesman,  
553 representative, peddler or canvasser obtains the tangible personal  
554 property that is sold;

555 (F) Every person with whose assistance any seller is enabled to solicit  
556 orders within this state;

557 (G) Every person making retail sales of tangible personal property or  
558 services from outside this state to a destination within this state,  
559 provided such person has gross receipts of at least one hundred  
560 thousand dollars and made two hundred or more retail sales from  
561 outside this state to destinations within this state during the twelve-  
562 month period ended on the September thirtieth immediately preceding  
563 the monthly or quarterly period with respect to which such person's  
564 liability for tax under this chapter is determined;

565 (H) Any person owned or controlled, either directly or indirectly, by  
566 a retailer engaged in business in this state which is the same as or similar  
567 to the line of business in which such person so owned or controlled is  
568 engaged;

569 (I) Any person owned or controlled, either directly or indirectly, by  
570 the same interests that own or control, either directly or indirectly, a  
571 retailer engaged in business in this state which is the same as or similar  
572 to the line of business in which such person so owned or controlled is  
573 engaged;

574 (J) Any assignee of a person engaged in the business of leasing  
575 tangible personal property to others, where leased property of such  
576 person which is subject to taxation under this chapter is situated within  
577 this state and such assignee has a security interest, as defined in  
578 subdivision (35) of subsection (b) of section 42a-1-201, in such property;

579 (K) Every person making retail sales of items of tangible personal  
580 property from outside this state to a destination within this state who  
581 repairs or services such items, under a warranty, in this state, either  
582 directly or indirectly through an agent, independent contractor or  
583 subsidiary;

584 (L) Every person making sales of tangible personal property or  
585 services through an agreement with another person located in this state  
586 under which such person located in this state, for a commission or other  
587 consideration that is based upon the sale of tangible personal property  
588 or services by the retailer, directly or indirectly refers potential  
589 customers, whether by a link on an Internet web site or otherwise, to the  
590 retailer, provided the cumulative gross receipts from sales by the retailer  
591 to customers in the state who are referred to the retailer by all such  
592 persons with this type of an agreement with the retailer, is in excess of  
593 one hundred thousand dollars during the preceding four quarterly  
594 periods ending on the last day of March, June, September and  
595 December;

596 (M) Any marketplace facilitator, as defined in section 12-408e; and

597 (N) Any short-term rental facilitator, as defined in section 12-408h.

598 (13) "Tangible personal property" means personal property that may  
599 be seen, weighed, measured, felt or touched or that is in any other  
600 manner perceptible to the senses. "Tangible personal property" includes  
601 (A) digital goods, (B) canned or prewritten computer software,  
602 including canned or prewritten software that is electronically accessed  
603 or transferred, other than when purchased by a business for use by such  
604 business, and any additional content related to such software, and (C)  
605 the distribution, generation or transmission of electricity.

606 (14) "In this state" or "in the state" means within the exterior limits of  
607 the state of Connecticut and includes all territory within these limits  
608 owned by or ceded to the United States of America.

609 (15) (A) "Engaged in business in the state" means and, to the extent  
610 not prohibited by the Constitution of the United States, includes, but  
611 shall not be limited to, the following acts or methods of transacting  
612 business:

613 (i) Selling in this state, or any activity in this state in connection with  
614 selling in this state, tangible personal property for use, storage or  
615 consumption within the state;

616 (ii) Engaging in the transfer for a consideration of the occupancy of  
617 any room or rooms in a hotel, lodging house [or] bed and breakfast  
618 establishment or short-term rental property for a period of thirty  
619 consecutive calendar days or less;

620 (iii) Rendering in this state any service described in any of the  
621 subparagraphs of subdivision (2) of this subsection;

622 (iv) Maintaining, occupying or using, permanently or temporarily,  
623 directly or indirectly, through a subsidiary or agent, by whatever name  
624 called, any office, place of distribution, sales or sample room or place,  
625 warehouse or storage point or other place of business or having any  
626 representative, agent, salesman, canvasser or solicitor operating in this

627 state for the purpose of selling, delivering or taking orders;

628 (v) Selling tangible personal property or services from outside this  
629 state to a destination within this state, provided at least one hundred  
630 thousand dollars of gross receipts are received and two hundred or  
631 more retail sales from outside this state to destinations within this state  
632 are made during the twelve-month period ended on the September  
633 thirtieth immediately preceding the monthly or quarterly period with  
634 respect to which liability for tax under this chapter is determined;

635 (vi) Being owned or controlled, either directly or indirectly, by a  
636 retailer engaged in business in this state which is the same as or similar  
637 to the line of business in which the retailer so owned or controlled is  
638 engaged;

639 (vii) Being owned or controlled, either directly or indirectly, by the  
640 same interests that own or control, either directly or indirectly, a retailer  
641 engaged in business in this state which is the same as or similar to the  
642 line of business in which the retailer so owned or controlled is engaged;

643 (viii) Being the assignee of a person engaged in the business of leasing  
644 tangible personal property to others, where leased property of such  
645 person is situated within this state and such assignee has a security  
646 interest, as defined in subdivision (35) of subsection (b) of section 42a-1-  
647 201, in such property;

648 (ix) Notwithstanding the fact that retail sales of items of tangible  
649 personal property are made from outside this state to a destination  
650 within this state, repairing or servicing such items, under a warranty, in  
651 this state, either directly or indirectly through an agent, independent  
652 contractor or subsidiary; and

653 (x) Selling tangible personal property or services through an  
654 agreement with a person located in this state, under which such person  
655 located in this state, for a commission or other consideration that is  
656 based upon the sale of tangible personal property or services by the  
657 retailer, directly or indirectly refers potential customers, whether by a

658 link on an Internet web site or otherwise, to the retailer, provided the  
659 cumulative gross receipts from sales by the retailer to customers in the  
660 state who are referred to the retailer by all such persons with this type  
661 of agreement with the retailer is in excess of one hundred thousand  
662 dollars during the four preceding four quarterly periods ending on the  
663 last day of March, June, September and December.

664 (B) A retailer who has contracted with a commercial printer for  
665 printing and distribution of printed material shall not be deemed to be  
666 engaged in business in this state because of the ownership or leasing by  
667 the retailer of tangible or intangible personal property located at the  
668 premises of the commercial printer in this state, the sale by the retailer  
669 of property of any kind produced or processed at and shipped or  
670 distributed from the premises of the commercial printer in this state, the  
671 activities of the retailer's employees or agents at the premises of the  
672 commercial printer in this state, which activities relate to quality control,  
673 distribution or printing services performed by the printer, or the  
674 activities of any kind performed by the commercial printer in this state  
675 for or on behalf of the retailer.

676 (C) A retailer not otherwise engaged in business in the state who  
677 purchases fulfillment services carried on in this state by a person other  
678 than an affiliated person, or who owns tangible personal property  
679 located on the premises of an unaffiliated person other than a  
680 marketplace facilitator, as defined in section 12-408e, performing  
681 fulfillment services for such retailer, shall not be deemed to be engaged  
682 in business in this state. For purposes of this subparagraph, (i) persons  
683 are affiliated persons with respect to each other where one of such  
684 persons has an ownership interest of more than five per cent, whether  
685 direct or indirect, in the other, or where an ownership interest of more  
686 than five per cent, whether direct or indirect, is held in each of such  
687 persons by another person or by a group of other persons who are  
688 affiliated persons with respect to each other, and (ii) "fulfillment  
689 services" means services that are performed by a person on its premises  
690 on behalf of a purchaser of such services and that involve the receipt of  
691 orders from the purchaser of such services or an agent thereof, which

692 orders are to be filled by the person from an inventory of products that  
 693 are offered for sale by the purchaser of such services, and the shipment  
 694 of such orders outside this state to customers of the purchaser of such  
 695 services.

696 (D) A retailer not otherwise engaged in business in this state that  
 697 participates in a trade show or shows at the convention center, as  
 698 defined in subdivision (3) of section 32-600, shall not be deemed to be  
 699 engaged in business in this state, regardless of whether the retailer has  
 700 employees or other staff present at such trade shows, provided the  
 701 retailer's activity at such trade shows is limited to displaying goods or  
 702 promoting services, no sales are made, any orders received are sent  
 703 outside this state for acceptance or rejection and are filled from outside  
 704 this state, and provided further that such participation is not more than  
 705 fourteen days, or part thereof, in the aggregate during the retailer's  
 706 income year for federal income tax purposes.

707 (16) "Hotel" means any building regularly used and kept open as such  
 708 for the feeding and lodging of guests where any person who conducts  
 709 himself properly and who is able and ready to pay for such services is  
 710 received if there are accommodations for such person and which derives  
 711 the major portion of its operating receipts from the renting of rooms and  
 712 the sale of food. "Hotel" includes any apartment hotel wherein  
 713 apartments are rented for fixed periods of time, furnished or  
 714 unfurnished, while the keeper of such hotel supplies food to the  
 715 occupants thereof, if required, but does not include a bed and breakfast  
 716 establishment or short-term rental property.

717 (17) "Lodging house" means any building or portion of a building,  
 718 other than a hotel, an apartment hotel, [or] a bed and breakfast  
 719 establishment or a short term-rental property, in which persons are  
 720 lodged for hire with or without meals, including, but not limited to, any  
 721 motel, motor court, motor inn, tourist court, furnished residence or  
 722 similar accommodation; provided the terms "hotel", "apartment hotel",  
 723 "lodging house", [and "bed and breakfast"] "bed and breakfast  
 724 establishment" and "short term rental property" shall not be construed

725 to include: (A) Privately owned and operated convalescent homes,  
 726 residential care homes, homes for the infirm, indigent or chronically ill;  
 727 (B) religious or charitable homes for the aged, infirm, indigent or  
 728 chronically ill; (C) privately owned and operated summer camps for  
 729 children; (D) summer camps for children operated by religious or  
 730 charitable organizations; (E) lodging accommodations at educational  
 731 institutions; or (F) lodging accommodations at any facility operated by  
 732 and in the name of any nonprofit charitable organization, provided the  
 733 income from such lodging accommodations at such facility is not subject  
 734 to federal income tax.

735 (18) "Operator" means any person operating a hotel, lodging house,  
 736 [or] bed and breakfast establishment or short-term rental property in the  
 737 state, including, but not limited to, the owner or proprietor of such  
 738 premises, lessee, sublessee, mortgagee in possession, licensee or any  
 739 other person otherwise operating such hotel, lodging house, [or] bed  
 740 and breakfast establishment or short-term rental property.

741 (19) "Occupancy" means the use or possession, or the right to the use  
 742 or possession, of any room or rooms in a hotel, lodging house, [or] bed  
 743 and breakfast establishment or short-term rental property, or the right  
 744 to the use or possession of the furnishings or the services and  
 745 accommodations accompanying the use and possession of such room or  
 746 rooms, for the first period of not more than thirty consecutive calendar  
 747 days.

748 (20) "Room" means any room or rooms of any kind in any part or  
 749 portion of a hotel, lodging house, [or] bed and breakfast establishment  
 750 or short-term rental property let out for use or possession for lodging  
 751 purposes.

752 (21) "Rent" means the consideration received for occupancy and any  
 753 meals included with such occupancy, valued in money, whether  
 754 received in money or otherwise, including all receipts, cash, credits and  
 755 property or services of any kind or nature, and also any amount for  
 756 which credit is allowed by the operator to the occupant, without any

757 deduction therefrom whatsoever.

758 (22) "Certificated air carrier" means a person issued a certificate or  
759 certificates by the Federal Aviation Administration pursuant to Title 14,  
760 Chapter I, Subchapter G, Part 121, 135, 139 or 141 of the Code of Federal  
761 Regulations or the Civil Aeronautics Board pursuant to Title 14, Chapter  
762 II, Subchapter A, Parts 201 to 208, inclusive, and 298 of the Code of  
763 Federal Regulations, as such regulations may hereafter be amended or  
764 reclassified.

765 (23) "Aircraft" means aircraft, as the term is defined in section 15-34.

766 (24) "Vessel" means vessel, as the term is defined in section 15-127.

767 (25) "Licensed marine dealer" means a marine dealer, as the term is  
768 defined in section 15-141, who has been issued a marine dealer's  
769 certificate by the Commissioner of Energy and Environmental  
770 Protection.

771 (26) (A) "Telecommunications service" means the electronic  
772 transmission, conveyance or routing of voice, image, data, audio, video  
773 or any other information or signals to a point or between or among  
774 points. "Telecommunications service" includes such transmission,  
775 conveyance or routing in which computer processing applications are  
776 used to act on the form, code or protocol of the content for purposes of  
777 transmission, conveyance or routing without regard to whether such  
778 service is referred to as a voice over Internet protocol service or is  
779 classified by the Federal Communications Commission as enhanced or  
780 value added. "Telecommunications service" does not include (i) value-  
781 added nonvoice data services, (ii) radio and television audio and video  
782 programming services, regardless of the medium, including the  
783 furnishing of transmission, conveyance or routing of such services by  
784 the programming service provider. Radio and television audio and  
785 video programming services shall include, but not be limited to, cable  
786 service as defined in 47 USC 522(6), audio and video programming  
787 services delivered by commercial mobile radio service providers, as  
788 defined in 47 CFR 20, and video programming service by certified



789 competitive video service providers, (iii) any telecommunications  
790 service (I) rendered by a company in control of such service when  
791 rendered for private use within its organization, or (II) used, allocated  
792 or distributed by a company within its organization, including in such  
793 organization affiliates, as defined in section 33-840, for the purpose of  
794 conducting business transactions of the organization if such service is  
795 purchased or leased from a company rendering telecommunications  
796 service and such purchase or lease is subject to tax under this chapter,  
797 (iv) access or interconnection service purchased by a provider of  
798 telecommunications service from another provider of such service for  
799 purposes of rendering such service, provided the purchaser submits to  
800 the seller a certificate attesting to the applicability of this exclusion, upon  
801 receipt of which the seller is relieved of any tax liability for such sale so  
802 long as the certificate is taken in good faith by the seller, (v) data  
803 processing and information services that allow data to be generated,  
804 acquired, stored, processed or retrieved and delivered by an electronic  
805 transmission to a purchaser where such purchaser's primary purpose  
806 for the underlying transaction is the processed data or information, (vi)  
807 installation or maintenance of wiring equipment on a customer's  
808 premises, (vii) tangible personal property, (viii) advertising, including,  
809 but not limited to, directory advertising, (ix) billing and collection  
810 services provided to third parties, (x) Internet access service, (xi)  
811 ancillary services, and (xii) digital products delivered electronically,  
812 including, but not limited to, software, music, video, reading materials  
813 or ring tones.

814 (B) For purposes of the tax imposed under this chapter (i) gross  
815 receipts from the rendering of telecommunications service shall include  
816 any subscriber line charge or charges as required by the Federal  
817 Communications Commission and any charges for access service  
818 collected by any person rendering such service unless otherwise  
819 excluded from such gross receipts under this chapter, and such gross  
820 receipts from the rendering of telecommunications service shall also  
821 include any charges for vertical service, for the installation or  
822 maintenance of wiring equipment on a customer's premises, and for

823 directory assistance service; (ii) gross receipts from the rendering of  
824 telecommunications service shall not include any local charge for calls  
825 from public or semipublic telephones; and (iii) gross receipts from the  
826 rendering of telecommunications service shall not include any charge  
827 for calls purchased using a prepaid telephone calling service, as defined  
828 in subdivision (34) of this subsection.

829 (27) "Community antenna television service" means (A) the one-way  
830 transmission to subscribers of video programming or information by  
831 cable, fiber optics, satellite, microwave or any other means, and  
832 subscriber interaction, if any, which is required for the selection of such  
833 video programming or information, and (B) noncable communications  
834 service, as defined in section 16-1, unless such noncable  
835 communications service is purchased by a cable network as that term is  
836 used in subsection (k) of section 12-218.

837 (28) "Hospital" means a hospital included within the definition of  
838 health care facilities or institutions under section 19a-630 and licensed  
839 as a short-term general hospital by the Department of Public Health, but  
840 does not include (A) any hospital which, on January 30, 1997, is within  
841 the class of hospitals licensed by the department as children's general  
842 hospitals, or (B) a short-term acute hospital operated exclusively by the  
843 state other than a short-term acute hospital operated by the state as a  
844 receiver pursuant to chapter 920.

845 (29) "Patient care services" means therapeutic and diagnostic medical  
846 services provided by the hospital to inpatients and outpatients  
847 including tangible personal property transferred in connection with  
848 such services.

849 (30) "Another state" or "other state" means any state of the United  
850 States or the District of Columbia excluding the state of Connecticut.

851 (31) "Professional employer agreement" means a written contract  
852 between a professional employer organization and a service recipient  
853 whereby the professional employer organization agrees to provide at  
854 least seventy-five per cent of the employees at the service recipient's

855 worksite, which contract provides that such worksite employees are  
856 intended to be permanent employees rather than temporary employees,  
857 and employer responsibilities for such worksite employees, including  
858 hiring, firing and disciplining, are allocated between the professional  
859 employer organization and the service recipient.

860 (32) "Professional employer organization" means any person that  
861 enters into a professional employer agreement with a service recipient  
862 whereby the professional employer organization agrees to provide at  
863 least seventy-five per cent of the employees at the service recipient's  
864 worksite.

865 (33) "Worksite employee" means an employee, the employer  
866 responsibilities for which, including hiring, firing and disciplining, are  
867 allocated, under a professional employer agreement, between a  
868 professional employer organization and a service recipient.

869 (34) "Prepaid telephone calling service" means the right to exclusively  
870 purchase telecommunications service, that must be paid for in advance  
871 and that enables the origination of calls using an access number or  
872 authorization code, or both, whether manually or electronically dialed,  
873 provided the remaining amount of units of service that have been  
874 prepaid shall be known on a continuous basis.

875 (35) "Canned or prewritten software" means all software, other than  
876 custom software, that is held or existing for general or repeated sale,  
877 license or lease. Software initially developed as custom software for in-  
878 house use and subsequently sold, licensed or leased to unrelated third  
879 parties shall be considered canned or prewritten software.

880 (36) "Custom software" means a computer program prepared to the  
881 special order of a single customer.

882 (37) "Services" for purposes of subdivision (2) of this subsection,  
883 means:

884 (A) Computer and data processing services, including, but not

885 limited to, time, programming, code writing, modification of existing  
886 programs, feasibility studies and installation and implementation of  
887 software programs and systems even where such services are rendered  
888 in connection with the development, creation or production of canned  
889 or custom software or the license of custom software, but excluding  
890 digital goods;

891 (B) Credit information and reporting services;

892 (C) Services by employment agencies and agencies providing  
893 personnel services;

894 (D) Private investigation, protection, patrol work, watchman and  
895 armored car services, exclusive of (i) services of off-duty police officers  
896 and off-duty firefighters, and (ii) coin and currency services provided to  
897 a financial services company by or through another financial services  
898 company. For purposes of this subparagraph, "financial services  
899 company" has the same meaning as provided under subparagraphs (A)  
900 to (H), inclusive, of subdivision (6) of subsection (a) of section 12-218b;

901 (E) Painting and lettering services;

902 (F) Photographic studio services;

903 (G) Telephone answering services;

904 (H) Stenographic services;

905 (I) Services to industrial, commercial or income-producing real  
906 property, including, but not limited to, such services as management,  
907 electrical, plumbing, painting and carpentry, provided income-  
908 producing property shall not include property used exclusively for  
909 residential purposes in which the owner resides and which contains no  
910 more than three dwelling units, or a housing facility for low and  
911 moderate income families and persons owned or operated by a  
912 nonprofit housing organization, as defined in subdivision (29) of section  
913 12-412;

914 (J) Business analysis, management, management consulting and  
915 public relations services, excluding (i) any environmental consulting  
916 services, (ii) any training services provided by an institution of higher  
917 education licensed or accredited by the Board of Regents for Higher  
918 Education or Office of Higher Education pursuant to sections 10a-35a  
919 and 10a-34, respectively, and (iii) on and after January 1, 1994, any  
920 business analysis, management, management consulting and public  
921 relations services when such services are rendered in connection with  
922 an aircraft leased or owned by a certificated air carrier or in connection  
923 with an aircraft which has a maximum certificated take-off weight of six  
924 thousand pounds or more;

925 (K) Services providing "piped-in" music to business or professional  
926 establishments;

927 (L) Flight instruction and chartering services by a certificated air  
928 carrier on an aircraft, the use of which for such purposes, but for the  
929 provisions of subdivision (4) of section 12-410 and subdivision (12) of  
930 section 12-411, as amended by this act, would be deemed a retail sale  
931 and a taxable storage or use, respectively, of such aircraft by such  
932 carrier;

933 (M) Motor vehicle repair services, including any type of repair,  
934 painting or replacement related to the body or any of the operating parts  
935 of a motor vehicle;

936 (N) Motor vehicle parking, excluding space in a parking lot owned or  
937 leased under the terms of a lease of not less than ten years' duration and  
938 operated by an employer for the exclusive use of its employees;

939 (O) Radio or television repair services;

940 (P) Furniture reupholstering and repair services;

941 (Q) Repair services to any electrical or electronic device, including,  
942 but not limited to, equipment used for purposes of refrigeration or air-  
943 conditioning;

944 (R) Lobbying or consulting services for purposes of representing the  
945 interests of a client in relation to the functions of any governmental  
946 entity or instrumentality;

947 (S) Services of the agent of any person in relation to the sale of any  
948 item of tangible personal property for such person, exclusive of the  
949 services of a consignee selling works of art, as defined in subsection (b)  
950 of section 12-376c, or articles of clothing or footwear intended to be worn  
951 on or about the human body other than (i) any special clothing or  
952 footwear primarily designed for athletic activity or protective use and  
953 which is not normally worn except when used for the athletic activity or  
954 protective use for which it was designed, and (ii) jewelry, handbags,  
955 luggage, umbrellas, wallets, watches and similar items carried on or  
956 about the human body but not worn on the body, under consignment,  
957 exclusive of services provided by an auctioneer;

958 (T) Locksmith services;

959 (U) Advertising or public relations services, including layout, art  
960 direction, graphic design, mechanical preparation or production  
961 supervision, not related to the development of media advertising or  
962 cooperative direct mail advertising;

963 (V) Landscaping and horticulture services;

964 (W) Window cleaning services;

965 (X) Maintenance services;

966 (Y) Janitorial services;

967 (Z) Exterminating services;

968 (AA) Swimming pool cleaning and maintenance services;

969 (BB) Miscellaneous personal services included in industry group 729  
970 in the Standard Industrial Classification Manual, United States Office of  
971 Management and Budget, 1987 edition, or industry group 532220,

972 812191, 812199 or 812990 of the North American Industry Classification  
973 System United States Manual, United States Office of Management and  
974 Budget (NAICS), 1997 edition, exclusive of (i) services rendered by  
975 massage therapists licensed pursuant to chapter 384a, and (ii) services  
976 rendered by an electrologist licensed pursuant to chapter 388;

977 (CC) Any repair or maintenance service to any item of tangible  
978 personal property including any contract of warranty or service related  
979 to any such item;

980 (DD) Business analysis, management or managing consulting  
981 services rendered by a general partner, or an affiliate thereof, to a  
982 limited partnership, provided (i) the general partner, or an affiliate  
983 thereof, is compensated for the rendition of such services other than  
984 through a distributive share of partnership profits or an annual  
985 percentage of partnership capital or assets established in the limited  
986 partnership's offering statement, and (ii) the general partner, or an  
987 affiliate thereof, offers such services to others, including any other  
988 partnership. As used in this subparagraph "an affiliate of a general  
989 partner" means an entity which is directly or indirectly owned fifty per  
990 cent or more in common with a general partner;

991 (EE) Notwithstanding the provisions of section 12-412, except  
992 subdivision (87) of said section 12-412, patient care services, as defined  
993 in subdivision (29) of this subsection by a hospital, except that "sale" and  
994 "selling" does not include such patient care services for which payment  
995 is received by the hospital during the period commencing July 1, 2001,  
996 and ending June 30, 2003;

997 (FF) Health and athletic club services, exclusive of (i) any such  
998 services provided without any additional charge which are included in  
999 any dues or initiation fees paid to any such club, which dues or fees are  
1000 subject to tax under section 12-543, and (ii) any such services provided  
1001 by a municipality or an organization that is described in Section 501(c)  
1002 of the Internal Revenue Code of 1986, or any subsequent corresponding  
1003 internal revenue code of the United States, as amended from time to

1004 time;

1005 (GG) Motor vehicle storage services, including storage of motor  
1006 homes, campers and camp trailers, other than the furnishing of space as  
1007 described in subparagraph (P) of subdivision (2) of this subsection;

1008 (HH) Packing and crating services, other than those provided in  
1009 connection with the sale of tangible personal property by the retailer of  
1010 such property;

1011 (II) Motor vehicle towing and road services, other than motor vehicle  
1012 repair services;

1013 (JJ) Intrastate transportation services provided by livery services,  
1014 including limousines, community cars or vans, with a driver. Intrastate  
1015 transportation services shall not include transportation by taxicab,  
1016 motor bus, ambulance or ambulette, scheduled public transportation,  
1017 nonemergency medical transportation provided under the Medicaid  
1018 program, paratransit services provided by agreement or arrangement  
1019 with the state or any political subdivision of the state, dial-a-ride  
1020 services or services provided in connection with funerals;

1021 (KK) Pet grooming and pet boarding services, except if such services  
1022 are provided as an integral part of professional veterinary services, and  
1023 pet obedience services;

1024 (LL) Services in connection with a cosmetic medical procedure. For  
1025 purposes of this subparagraph, "cosmetic medical procedure" means  
1026 any medical procedure performed on an individual that is directed at  
1027 improving the individual's appearance and that does not meaningfully  
1028 promote the proper function of the body or prevent or treat illness or  
1029 disease. "Cosmetic medical procedure" includes, but is not limited to,  
1030 cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft  
1031 tissue fillers, dermabrasion and chemical peel, laser hair removal, laser  
1032 skin resurfacing, laser treatment of leg veins and sclerotherapy.  
1033 "Cosmetic medical procedure" does not include reconstructive surgery.  
1034 "Reconstructive surgery" includes any surgery performed on abnormal



1035 structures caused by or related to congenital defects, developmental  
1036 abnormalities, trauma, infection, tumors or disease, including  
1037 procedures to improve function or give a more normal appearance;

1038 (MM) Manicure services, pedicure services and all other nail services,  
1039 regardless of where performed, including airbrushing, fills, full sets, nail  
1040 sculpting, paraffin treatments and polishes;

1041 (NN) Spa services, regardless of where performed, including body  
1042 waxing and wraps, peels, scrubs and facials;

1043 (OO) Car wash services, including coin-operated car washes;

1044 (PP) Dry cleaning services and laundry services, excluding coin-  
1045 operated services;

1046 (QQ) Interior design services described in industry group 54141 of  
1047 the NAICS, 2017 edition, as amended from time to time.

1048 (38) "Media payroll services company" means a retailer whose  
1049 principal business activity is the management and payment of  
1050 compensation, fringe benefits, workers' compensation, payroll taxes or  
1051 assessments to individuals providing services to an eligible production  
1052 company pursuant to section 12-217jj.

1053 (39) "Certified competitive video service" means video programming  
1054 service provided through wireline facilities, a portion of which are  
1055 located in the public right-of-way, without regard to delivery  
1056 technology, including Internet protocol technology. "Certified  
1057 competitive video service" does not include any video programming  
1058 provided by a commercial mobile service provider, as defined in 47 USC  
1059 332(d); any video programming provided as part of community antenna  
1060 television service; any video programming provided as part of, and via,  
1061 a service that enables users to access content, information, electronic  
1062 mail or other services over the Internet.

1063 (40) "Directory assistance" means an ancillary service of providing  
1064 telephone number information or address information.

1065 (41) "Vertical service" means an ancillary service that is offered in  
1066 connection with one or more telecommunications services, offering  
1067 advanced calling features that allow customers to identify callers and to  
1068 manage multiple calls and call connections, including conference  
1069 bridging services.

1070 (42) "Bed and breakfast establishment" means any private operator-  
1071 occupied house, other than a hotel, [or] lodging house or short-term  
1072 rental property, with twelve or fewer rooms in which persons are  
1073 lodged for hire and a full morning meal is included in the rent.

1074 (43) "Digital goods" means audio works, visual works, audio-visual  
1075 works, reading materials or ring tones, that are electronically accessed  
1076 or transferred.

1077 (44) "Short-term rental property" means any dwelling unit, other than  
1078 a hotel, lodging house or bed and breakfast establishment, in which a  
1079 guest is lodged for hire, with or without meals, pursuant to a short-term  
1080 rental transaction. For the purposes of this subdivision, "dwelling unit",  
1081 "guest" and "short-term rental transaction" have the same meanings as  
1082 provided in section 1 of this act.

1083 (b) Wherever in this chapter reference is made to the sale of tangible  
1084 personal property or services, it shall be construed to include sales  
1085 described in subdivision (2) of subsection (a) of this section, except as  
1086 may be specifically provided to the contrary.

1087 Sec. 9. Section 12-408 of the general statutes is repealed and the  
1088 following is substituted in lieu thereof (*Effective July 1, 2021, and*  
1089 *applicable to sales occurring on or after July 1, 2021*):

1090 (1) (A) For the privilege of making any sales, as defined in  
1091 subdivision (2) of subsection (a) of section 12-407, as amended by this  
1092 act, at retail, in this state for a consideration, a tax is hereby imposed on  
1093 all retailers at the rate of six and thirty-five-hundredths per cent of the  
1094 gross receipts of any retailer from the sale of all tangible personal  
1095 property sold at retail or from the rendering of any services constituting

1096 a sale in accordance with subdivision (2) of subsection (a) of section 12-  
1097 407, as amended by this act, except, in lieu of said rate, the rates  
1098 provided in subparagraphs (B) to (I), inclusive, of this subdivision;

1099 (B) (i) At a rate of fifteen per cent with respect to each transfer of  
1100 occupancy, from the total amount of rent received by a hotel or lodging  
1101 house for the first period not exceeding thirty consecutive calendar  
1102 days;

1103 (ii) At a rate of eleven per cent with respect to each transfer of  
1104 occupancy, from the total amount of rent received by a bed and  
1105 breakfast establishment for the first period not exceeding thirty  
1106 consecutive calendar days;

1107 (iii) At a rate of five per cent with respect to each transfer of  
1108 occupancy to a guest, as defined in section 1 of this act, from the total  
1109 amount of rent received by a short-term rental operator, as defined in  
1110 section 1 of this act, for the first period not exceeding thirty consecutive  
1111 calendar days;

1112 (C) With respect to the sale of a motor vehicle to any individual who  
1113 is a member of the armed forces of the United States and is on full-time  
1114 active duty in Connecticut and who is considered, under 50 App USC  
1115 574, a resident of another state, or to any such individual and the spouse  
1116 thereof, at a rate of four and one-half per cent of the gross receipts of any  
1117 retailer from such sales, provided such retailer requires and maintains a  
1118 declaration by such individual, prescribed as to form by the  
1119 commissioner and bearing notice to the effect that false statements made  
1120 in such declaration are punishable, or other evidence, satisfactory to the  
1121 commissioner, concerning the purchaser's state of residence under 50  
1122 App USC 574;

1123 (D) (i) With respect to the sales of computer and data processing  
1124 services occurring on or after July 1, 2001, at the rate of one per cent, and  
1125 (ii) with respect to sales of Internet access services, on and after July 1,  
1126 2001, such services shall be exempt from such tax;

1127       (E) (i) With respect to the sales of labor that is otherwise taxable under  
1128       subparagraph (C) or (G) of subdivision (2) of subsection (a) of section  
1129       12-407, as amended by this act, on existing vessels and repair or  
1130       maintenance services on vessels occurring on and after July 1, 1999, such  
1131       services shall be exempt from such tax;

1132       (ii) With respect to the sale of a vessel, a motor for a vessel or a trailer  
1133       used for transporting a vessel, at the rate of two and ninety-nine-  
1134       hundredths per cent, except that the sale of a vessel shall be exempt from  
1135       such tax if such vessel is docked in this state for sixty or fewer days in a  
1136       calendar year;

1137       (iii) With respect to the sale of dyed diesel fuel, as defined in  
1138       subsection (d) of section 12-487, sold by a marine fuel dock exclusively  
1139       for marine purposes, at the rate of two and ninety-nine-hundredths per  
1140       cent;

1141       (F) With respect to patient care services for which payment is  
1142       received by the hospital on or after July 1, 1999, and prior to July 1, 2001,  
1143       at the rate of five and three-fourths per cent and on and after July 1, 2001,  
1144       such services shall be exempt from such tax;

1145       (G) With respect to the rental or leasing of a passenger motor vehicle  
1146       for a period of thirty consecutive calendar days or less, at a rate of nine  
1147       and thirty-five-hundredths per cent;

1148       (H) With respect to the sale of (i) a motor vehicle for a sales price  
1149       exceeding fifty thousand dollars, at a rate of seven and three-fourths per  
1150       cent on the entire sales price, (ii) jewelry, whether real or imitation, for  
1151       a sales price exceeding five thousand dollars, at a rate of seven and  
1152       three-fourths per cent on the entire sales price, and (iii) an article of  
1153       clothing or footwear intended to be worn on or about the human body,  
1154       a handbag, luggage, umbrella, wallet or watch for a sales price  
1155       exceeding one thousand dollars, at a rate of seven and three-fourths per  
1156       cent on the entire sales price. For purposes of this subparagraph, "motor  
1157       vehicle" has the meaning provided in section 14-1, but does not include  
1158       a motor vehicle subject to the provisions of subparagraph (C) of this

1159 subdivision, a motor vehicle having a gross vehicle weight rating over  
1160 twelve thousand five hundred pounds, or a motor vehicle having a  
1161 gross vehicle weight rating of twelve thousand five hundred pounds or  
1162 less that is not used for private passenger purposes, but is designed or  
1163 used to transport merchandise, freight or persons in connection with  
1164 any business enterprise and issued a commercial registration or more  
1165 specific type of registration by the Department of Motor Vehicles;

1166 (I) With respect to the sale of meals, as defined in subdivision (13) of  
1167 section 12-412, sold by an eating establishment, caterer or grocery store;  
1168 and spirituous, malt or vinous liquors, soft drinks, sodas or beverages  
1169 such as are ordinarily dispensed at bars and soda fountains, or in  
1170 connection therewith; in addition to the tax imposed under  
1171 subparagraph (A) of this subdivision, at the rate of one per cent;

1172 (J) The rate of tax imposed by this chapter shall be applicable to all  
1173 retail sales upon the effective date of such rate, except that a new rate  
1174 that represents an increase in the rate applicable to the sale shall not  
1175 apply to any sales transaction wherein a binding sales contract without  
1176 an escalator clause has been entered into prior to the effective date of the  
1177 new rate and delivery is made within ninety days after the effective date  
1178 of the new rate. For the purposes of payment of the tax imposed under  
1179 this section, any retailer of services taxable under subdivision (37) of  
1180 subsection (a) of section 12-407, as amended by this act, who computes  
1181 taxable income, for purposes of taxation under the Internal Revenue  
1182 Code of 1986, or any subsequent corresponding internal revenue code  
1183 of the United States, as amended from time to time, on an accounting  
1184 basis that recognizes only cash or other valuable consideration actually  
1185 received as income and who is liable for such tax only due to the  
1186 rendering of such services may make payments related to such tax for  
1187 the period during which such income is received, without penalty or  
1188 interest, without regard to when such service is rendered;

1189 (K) (i) For calendar quarters ending on or after September 30, 2019,  
1190 the commissioner shall deposit into the regional planning incentive  
1191 account, established pursuant to section 4-66k, six and seven-tenths per

1192 cent of the amounts received by the state from the tax imposed under  
1193 [subparagraph (B)] subparagraphs (B)(i) and (B)(ii) of this subdivision  
1194 and ten and seven-tenths per cent of the amounts received by the state  
1195 from the tax imposed under subparagraph (G) of this subdivision;

1196 (ii) For calendar quarters ending on or after September 30, 2018, the  
1197 commissioner shall deposit into the Tourism Fund established under  
1198 section 10-395b ten per cent of the amounts received by the state from  
1199 the tax imposed under [subparagraph (B)] subparagraphs (B)(i) and  
1200 (B)(ii) of this subdivision;

1201 (L) For calendar months commencing on or after July 1, 2021, the  
1202 commissioner shall deposit into the municipal revenue sharing account  
1203 established pursuant to section 4-66l seven and nine-tenths per cent of  
1204 the amounts received by the state from the tax imposed under  
1205 subparagraph (A) of this subdivision; and

1206 (M) (i) For calendar months commencing on or after July 1, 2017, the  
1207 commissioner shall deposit into the Special Transportation Fund  
1208 established under section 13b-68 seven and nine-tenths per cent of the  
1209 amounts received by the state from the tax imposed under  
1210 subparagraph (A) of this subdivision;

1211 (ii) For calendar months commencing on or after July 1, 2018, but  
1212 prior to July 1, 2019, the commissioner shall deposit into the Special  
1213 Transportation Fund established under section 13b-68 eight per cent of  
1214 the amounts received by the state from the tax imposed under  
1215 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
1216 vehicle;

1217 (iii) For calendar months commencing on or after July 1, 2019, but  
1218 prior to July 1, 2020, the commissioner shall deposit into the Special  
1219 Transportation Fund established under section 13b-68 seventeen per  
1220 cent of the amounts received by the state from the tax imposed under  
1221 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
1222 vehicle;

1223 (iv) For calendar months commencing on or after July 1, 2020, but  
1224 prior to July 1, 2021, the commissioner shall deposit into the Special  
1225 Transportation Fund established under section 13b-68 twenty-five per  
1226 cent of the amounts received by the state from the tax imposed under  
1227 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
1228 vehicle;

1229 (v) For calendar months commencing on or after July 1, 2021, but  
1230 prior to July 1, 2022, the commissioner shall deposit into the Special  
1231 Transportation Fund established under section 13b-68 seventy-five per  
1232 cent of the amounts received by the state from the tax imposed under  
1233 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
1234 vehicle; [and]

1235 (vi) For calendar months commencing on or after July 1, 2022, the  
1236 commissioner shall deposit into the Special Transportation Fund  
1237 established under section 13b-68 one hundred per cent of the amounts  
1238 received by the state from the tax imposed under subparagraphs (A)  
1239 and (H) of this subdivision on the sale of a motor vehicle; and

1240 (vii) For calendar months commencing on or after July 1, 2021, the  
1241 commissioner shall deposit into the Housing Trust Fund established  
1242 under section 8-336o fifty per cent of the amounts received by the state  
1243 from the tax imposed under subparagraph (B)(iii) of this subdivision.

1244 (2) (A) Reimbursement for the tax hereby imposed shall be collected  
1245 by the retailer from the consumer and such tax reimbursement, termed  
1246 "tax" in this and the following subsections, shall be paid by the  
1247 consumer to the retailer and each retailer shall collect from the consumer  
1248 the full amount of the tax imposed by this chapter or an amount equal  
1249 as nearly as possible or practicable to the average equivalent thereof.  
1250 Such tax shall be a debt from the consumer to the retailer, when so  
1251 added to the original sales price, and shall be recoverable at law in the  
1252 same manner as other debts except as provided in section 12-432a. The  
1253 amount of tax reimbursement, when so collected, shall be deemed to be  
1254 a special fund in trust for the state of Connecticut.

1255 (B) Whenever such tax, payable by the consumer (i) with respect to a  
1256 charge account or credit sale, is remitted by the retailer to the  
1257 commissioner and such sale as an account receivable is determined to  
1258 be worthless and is actually written off as uncollectible for federal  
1259 income tax purposes, or (ii) to a retailer who computes taxable income,  
1260 for purposes of taxation under the Internal Revenue Code of 1986, or  
1261 any subsequent corresponding internal revenue code of the United  
1262 States, as amended from time to time, on the cash basis method of  
1263 accounting with respect to a sale, is remitted by the retailer to the  
1264 commissioner and such sale as an account receivable is determined to  
1265 be worthless, the amount of such tax remitted may be credited against  
1266 the tax due on the sales tax return filed by the retailer for the monthly  
1267 or quarterly period, whichever is applicable, next following the period  
1268 in which such amount is actually so written off, but in no event shall  
1269 such credit be allowed later than three years following the date such tax  
1270 is remitted, unless the credit relates to a period for which a waiver is  
1271 given pursuant to subsection (g) of section 12-415. The commissioner  
1272 shall, by regulations adopted in accordance with the provisions of  
1273 chapter 54, provide standards for proving any such claim for credit. If  
1274 any payment is made by a consumer with respect to an account, such  
1275 payment shall be applied first toward the sales tax, and if any account  
1276 with respect to which such credit is allowed is thereafter collected by the  
1277 retailer in whole or in part, the amount so collected, up to the amount of  
1278 the sales tax for which the credit was claimed, shall be included in the  
1279 sales tax return covering the period in which such collection occurs. The  
1280 tax applicable in any such case shall be determined in accordance with  
1281 the rate of sales tax in effect at the time of the original sale.

1282 (C) (i) Any person required to collect tax in accordance with this  
1283 subsection who demonstrates to the satisfaction of the Commissioner of  
1284 Revenue Services by July first of any year that, in any two quarterly  
1285 periods as described in section 12-414, within the most recent four  
1286 consecutive quarterly periods, such person was a materialman as such  
1287 term is used in chapter 847, who has at least fifty per cent of such  
1288 person's sales of building materials to contractors, subcontractors or



1289 repairmen for the improvement of real property, and is authorized by  
1290 said chapter to file a mechanic's lien upon such real property and  
1291 improvement shall, with respect to such sales made through the  
1292 quarterly period ending the succeeding June thirtieth, collect tax due on  
1293 such sales, and on sales to such contractors, subcontractors or repairmen  
1294 of services described in subdivision (2) of subsection (a) of section 12-  
1295 407, as amended by this act, with respect to such building materials, for  
1296 such purpose and made during such July first through June thirtieth  
1297 period, at the time and to the extent that such person receives the  
1298 receipts from, or consideration for, such sales from such contractors,  
1299 subcontractors or repairmen, provided if such person receives a portion  
1300 of such receipts or consideration, such person shall collect the tax due  
1301 on such portion at the time the portion is received. The taxes imposed  
1302 by this chapter on such receipts and consideration shall be deemed  
1303 imposed, solely for purposes of determining when such person is  
1304 required to collect and pay over such taxes to the commissioner under  
1305 section 12-414, when such person has received payment of such receipts  
1306 or consideration in money, or money's worth, from such contractor,  
1307 subcontractor or repairman. A contractor, subcontractor or repairman  
1308 who purchases building materials or services from such person  
1309 pursuant to this subparagraph shall, at the time such contractor,  
1310 subcontractor or repairman pays any portion of the purchase price, pay  
1311 to the person the tax due on the portion of the purchase price so paid.

1312 (ii) In the event that a materialman described in this subparagraph  
1313 factors any portion of such materialman's receivables, such materialman  
1314 shall be deemed to have received payment of such receipts or  
1315 consideration in money or money's worth, from the contractor,  
1316 subcontractor or repairman and shall be required to pay over tax on  
1317 such sale with the next return due, with a credit against such tax for any  
1318 tax already paid over with respect to such sale. Any such amount of tax  
1319 paid over shall be on account of the tax required to be collected on the  
1320 sale to which it relates and such materialman may take a credit against  
1321 any tax paid by such contractor, subcontractor or repairman in the  
1322 future on such sale, to ensure that tax paid over with respect to such sale

1323 does not exceed the amount of tax imposed on such sale as if the entire  
1324 purchase price had been paid at the time of sale.

1325 (iii) A materialman described in this subparagraph who has not  
1326 collected the tax due on the full purchase price for a sale described in  
1327 this subparagraph from a contractor, subcontractor or repairman within  
1328 one year from the date of such sale, shall pay over to the commissioner  
1329 the tax due on any balance of such full purchase price with such  
1330 materialman's return for the period which includes the date which is  
1331 one year after the date of such sale.

1332 (iv) The commissioner may assess additional tax due with respect to  
1333 a sale described in this subparagraph not later than three years from the  
1334 date the tax is required to be paid over to the commissioner pursuant to  
1335 this subparagraph, and in the case of a wilfully false or fraudulent return  
1336 with intent to evade the tax, or where no return has been filed such  
1337 taxpayer shall be subject to the provisions of section 12-428.

1338 (D) In the case of a sale by a producer or wholesaler of newspapers to  
1339 a vendor who is not otherwise required to obtain a permit under this  
1340 chapter, such producer or wholesaler shall collect the sales tax on such  
1341 newspapers at the point of transfer to such vendor. Such tax shall be  
1342 based on the stated retail price of such newspapers. Such vendor may  
1343 add an amount to the price of the newspapers equal to the amount paid  
1344 as sales tax to the producer or wholesaler and such vendor shall not be  
1345 required to remit such amount to the state.

1346 (3) For the purpose of adding and collecting the tax imposed by this  
1347 chapter, or an amount equal as nearly as possible or practicable to the  
1348 average equivalent thereof, by the retailer from the consumer the  
1349 following bracket system shall be in force and effect as follows:

T1	Amount of Sale	Amount of Tax
T2	\$0.00 to \$0.07 inclusive	No Tax
T3	.08 to .23 inclusive	1 cent

T4	.24 to .39 inclusive	2 cents
T5	.40 to .55 inclusive	3 cents
T6	.56 to .70 inclusive	4 cents
T7	.71 to .86 inclusive	5 cents
T8	.87 to 1.02 inclusive	6 cents
T9	1.03 to 1.18 inclusive	7 cents

1350       On all sales above \$1.18, the tax shall be computed at the rate of six  
1351       and thirty-five-hundredths per cent.

1352       (4) No retailer shall advertise or hold out or state to the public or to  
1353       any consumer, directly or indirectly, that the tax or any part thereof will  
1354       be assumed or absorbed by the retailer or that it will not be added to the  
1355       sales price of the property sold or that, if added, it or any part thereof  
1356       will be refunded. Under the provisions of this section, however, a  
1357       retailer may advertise the sale of tangible personal property by any of  
1358       the following methods: By stating the sales price alone without reference  
1359       to the tax; by stating separately the sales price and the amount of tax to  
1360       be collected thereon; by stating the sales price "plus tax" or "exclusive of  
1361       tax" or by stating a sales price which includes the tax, together with the  
1362       words "tax included" or "tax incl."; provided the retailer in the case of all  
1363       such sales shall maintain his records to show separately the actual price  
1364       of such sales and the amount of the tax paid thereon; and provided such  
1365       retailer, if requested, shall furnish the consumer with a sales slip or other  
1366       like evidence of the sale, showing the tax separately computed thereon.  
1367       Any person violating any provision of this subsection shall be fined five  
1368       hundred dollars for each offense.

1369       (5) No retailer shall exhibit or display on his premises any notice, sign  
1370       or other advertising matter tending to mislead the public in connection  
1371       with the imposition or collection of the tax. The Commissioner of  
1372       Revenue Services may approve a form of notice for the purpose of  
1373       explaining the operation of the tax.

1374       (6) The Commissioner of Revenue Services shall adopt regulations, in

1375 accordance with chapter 54, establishing a procedure for determination  
1376 of qualifications with respect to the reduced rate of sales tax in the case  
1377 of certain sales of motor vehicles to members of the armed forces as  
1378 provided in subsection (1) of this section.

1379 (7) For purposes of the tax imposed by this chapter, with respect to  
1380 toll telephone service paid by inserting coins in coin-operated  
1381 telephones, the tax shall be computed to the nearest multiple of five  
1382 cents, except if the tax is midway between multiples of five cents, the  
1383 next higher multiple shall apply.

1384 Sec. 10. Section 12-411 of the general statutes is repealed and the  
1385 following is substituted in lieu thereof (*Effective July 1, 2021, and*  
1386 *applicable to sales occurring on or after July 1, 2021*):

1387 (1) (A) An excise tax is hereby imposed on the storage, acceptance,  
1388 consumption or any other use in this state of tangible personal property  
1389 purchased from any retailer for storage, acceptance, consumption or any  
1390 other use in this state, the acceptance or receipt of any services  
1391 constituting a sale in accordance with subdivision (2) of subsection (a)  
1392 of section 12-407, as amended by this act, purchased from any retailer  
1393 for consumption or use in this state, or the storage, acceptance,  
1394 consumption or any other use in this state of tangible personal property  
1395 which has been manufactured, fabricated, assembled or processed from  
1396 materials by a person, either within or without this state, for storage,  
1397 acceptance, consumption or any other use by such person in this state,  
1398 to be measured by the sales price of materials, at the rate of six and  
1399 thirty-five-hundredths per cent of the sales price of such property or  
1400 services, except, in lieu of said rate:

1401 (B) (i) At a rate of fifteen per cent of the rent paid to a hotel or lodging  
1402 house for the first period not exceeding thirty consecutive calendar  
1403 days;

1404 (ii) At a rate of eleven per cent of the rent paid to a bed and breakfast  
1405 establishment for the first period not exceeding thirty consecutive  
1406 calendar days;

1407        (iii) At a rate of five per cent of the rent paid to a short-term rental  
 1408        operator, as defined in section 1 of this act, for the first period not  
 1409        exceeding thirty consecutive calendar days;

1410        (C) With respect to the storage, acceptance, consumption or use in  
 1411        this state of a motor vehicle purchased from any retailer for storage,  
 1412        acceptance, consumption or use in this state by any individual who is a  
 1413        member of the armed forces of the United States and is on full-time  
 1414        active duty in Connecticut and who is considered, under 50 App USC  
 1415        574, a resident of another state, or to any such individual and the spouse  
 1416        of such individual at a rate of four and one-half per cent of the sales price  
 1417        of such vehicle, provided such retailer requires and maintains a  
 1418        declaration by such individual, prescribed as to form by the  
 1419        commissioner and bearing notice to the effect that false statements made  
 1420        in such declaration are punishable, or other evidence, satisfactory to the  
 1421        commissioner, concerning the purchaser's state of residence under 50  
 1422        App USC 574;

1423        (D) (i) With respect to the acceptance or receipt in this state of labor  
 1424        that is otherwise taxable under subparagraph (C) or (G) of subdivision  
 1425        (2) of subsection (a) of section 12-407, as amended by this act, on existing  
 1426        vessels and repair or maintenance services on vessels occurring on and  
 1427        after July 1, 1999, such services shall be exempt from such tax;

1428        (ii) (I) With respect to the storage, acceptance or other use of a vessel  
 1429        in this state, at the rate of two and ninety-nine-hundredths per cent,  
 1430        except that such storage, acceptance or other use shall be exempt from  
 1431        such tax if such vessel is docked in this state for sixty or fewer days in a  
 1432        calendar year;

1433        (II) With respect to the storage, acceptance or other use of a motor for  
 1434        a vessel or a trailer used for transporting a vessel in this state, at the rate  
 1435        of two and ninety-nine-hundredths per cent;

1436        (III) With respect to the storage, acceptance or other use of dyed diesel  
 1437        fuel, as defined in subsection (d) of section 12-487, exclusively for  
 1438        marine purposes, at the rate of two and ninety-nine-hundredths per

1439 cent;

1440 (E) (i) With respect to the acceptance or receipt in this state of  
1441 computer and data processing services purchased from any retailer for  
1442 consumption or use in this state occurring on or after July 1, 2001, at the  
1443 rate of one per cent of such services, and (ii) with respect to the  
1444 acceptance or receipt in this state of Internet access services, on and after  
1445 July 1, 2001, such services shall be exempt from such tax;

1446 (F) With respect to the acceptance or receipt in this state of patient  
1447 care services purchased from any retailer for consumption or use in this  
1448 state for which payment is received by the hospital on or after July 1,  
1449 1999, and prior to July 1, 2001, at the rate of five and three-fourths per  
1450 cent and on and after July 1, 2001, such services shall be exempt from  
1451 such tax;

1452 (G) With respect to the rental or leasing of a passenger motor vehicle  
1453 for a period of thirty consecutive calendar days or less, at a rate of nine  
1454 and thirty-five-hundredths per cent;

1455 (H) With respect to the acceptance or receipt in this state of (i) a motor  
1456 vehicle for a sales price exceeding fifty thousand dollars, at a rate of  
1457 seven and three-fourths per cent on the entire sales price, (ii) jewelry,  
1458 whether real or imitation, for a sales price exceeding five thousand  
1459 dollars, at a rate of seven and three-fourths per cent on the entire sales  
1460 price, and (iii) an article of clothing or footwear intended to be worn on  
1461 or about the human body, a handbag, luggage, umbrella, wallet or  
1462 watch for a sales price exceeding one thousand dollars, at a rate of seven  
1463 and three-fourths per cent on the entire sales price. For purposes of this  
1464 subparagraph, "motor vehicle" has the meaning provided in section 14-  
1465 1, but does not include a motor vehicle subject to the provisions of  
1466 subparagraph (C) of this subdivision, a motor vehicle having a gross  
1467 vehicle weight rating over twelve thousand five hundred pounds, or a  
1468 motor vehicle having a gross vehicle weight rating of twelve thousand  
1469 five hundred pounds or less that is not used for private passenger  
1470 purposes, but is designed or used to transport merchandise, freight or

1471 persons in connection with any business enterprise and issued a  
1472 commercial registration or more specific type of registration by the  
1473 Department of Motor Vehicles;

1474 (I) With respect to the acceptance or receipt in this state of meals, as  
1475 defined in subdivision (13) of section 12-412, sold by an eating  
1476 establishment, caterer or grocery store; and spirituous, malt or vinous  
1477 liquors, soft drinks, sodas or beverages such as are ordinarily dispensed  
1478 at bars and soda fountains, or in connection therewith; in addition to the  
1479 tax imposed under subparagraph (A) of this subdivision, at the rate of  
1480 one per cent;

1481 (J) (i) For calendar quarters ending on or after September 30, 2019, the  
1482 commissioner shall deposit into the regional planning incentive  
1483 account, established pursuant to section 4-66k, six and seven-tenths per  
1484 cent of the amounts received by the state from the tax imposed under  
1485 [subparagraph (B)] subparagraphs (B)(i) and (B)(ii) of this subdivision  
1486 and ten and seven-tenths per cent of the amounts received by the state  
1487 from the tax imposed under subparagraph (G) of this subdivision;

1488 (ii) For calendar quarters ending on or after September 30, 2018, the  
1489 commissioner shall deposit into the Tourism Fund established under  
1490 section 10-395b ten per cent of the amounts received by the state from  
1491 the tax imposed under [subparagraph (B)] subparagraphs (B)(i) and  
1492 (B)(ii) of this subdivision;

1493 (K) For calendar months commencing on or after July 1, 2021, the  
1494 commissioner shall deposit into said municipal revenue sharing account  
1495 seven and nine-tenths per cent of the amounts received by the state from  
1496 the tax imposed under subparagraph (A) of this subdivision; and

1497 (L) (i) For calendar months commencing on or after July 1, 2017, the  
1498 commissioner shall deposit into said Special Transportation Fund seven  
1499 and nine-tenths per cent of the amounts received by the state from the  
1500 tax imposed under subparagraph (A) of this subdivision;

1501 (ii) For calendar months commencing on or after July 1, 2018, but

1502 prior to July 1, 2019, the commissioner shall deposit into the Special  
1503 Transportation Fund established under section 13b-68 eight per cent of  
1504 the amounts received by the state from the tax imposed under  
1505 subparagraphs (A) and (H) of this subdivision on the acceptance or  
1506 receipt in this state of a motor vehicle;

1507 (iii) For calendar months commencing on or after July 1, 2019, but  
1508 prior to July 1, 2020, the commissioner shall deposit into the Special  
1509 Transportation Fund established under section 13b-68 seventeen per  
1510 cent of the amounts received by the state from the tax imposed under  
1511 subparagraphs (A) and (H) of this subdivision on the acceptance or  
1512 receipt in this state of a motor vehicle;

1513 (iv) For calendar months commencing on or after July 1, 2020, but  
1514 prior to July 1, 2021, the commissioner shall deposit into the Special  
1515 Transportation Fund established under section 13b-68 twenty-five per  
1516 cent of the amounts received by the state from the tax imposed under  
1517 subparagraphs (A) and (H) of this subdivision on the acceptance or  
1518 receipt in this state of a motor vehicle;

1519 (v) For calendar months commencing on or after July 1, 2021, but  
1520 prior to July 1, 2022, the commissioner shall deposit into the Special  
1521 Transportation Fund established under section 13b-68 seventy-five per  
1522 cent of the amounts received by the state from the tax imposed under  
1523 subparagraphs (A) and (H) of this subdivision on the acceptance or  
1524 receipt in this state of a motor vehicle; [and]

1525 (vi) For calendar months commencing on or after July 1, 2022, the  
1526 commissioner shall deposit into the Special Transportation Fund  
1527 established under section 13b-68 one hundred per cent of the amounts  
1528 received by the state from the tax imposed under subparagraphs (A)  
1529 and (H) of this subdivision on the acceptance or receipt in this state of a  
1530 motor vehicle; and

1531 (vii) For calendar months commencing on or after July 1, 2021, the  
1532 commissioner shall deposit into the Housing Trust Fund established  
1533 under section 8-336o fifty per cent of the amounts received by the state



1534 from the tax imposed under subparagraph (B)(iii) of this subdivision.

1535       (2) Every person storing, accepting, consuming or otherwise using in  
1536 this state services or tangible personal property purchased from a  
1537 retailer for storage, acceptance, consumption or any other use in this  
1538 state and every person storing, accepting, consuming or otherwise using  
1539 in this state tangible personal property which has been manufactured,  
1540 fabricated, assembled or processed from materials purchased from a  
1541 retailer by such person, either within or without this state, for storage,  
1542 acceptance, consumption or any other use by such person in this state is  
1543 liable for the tax. Such person's liability is not extinguished until the tax  
1544 has been paid to this state, except that a receipt from a retailer engaged  
1545 in business in this state or from a retailer who is authorized by the  
1546 commissioner, under such regulations as the commissioner may  
1547 prescribe, to collect the tax and who is, for the purposes of this chapter  
1548 relating to the use tax, regarded as a retailer engaged in business in this  
1549 state, given to the purchaser pursuant to subdivision (3) of this section  
1550 is sufficient to relieve the purchaser from further liability for the tax to  
1551 which the receipt refers.

1552       (3) Every retailer engaged in business in this state and making sales  
1553 of services or of tangible personal property for storage, acceptance,  
1554 consumption or any other use in this state, not exempted under this  
1555 chapter, shall, at the time of making a sale or, if the storage, acceptance,  
1556 consumption or other use is not then taxable hereunder, at the time the  
1557 storage, acceptance, consumption or use becomes taxable, collect the use  
1558 tax from the purchaser and give to the purchaser a receipt therefor in  
1559 the manner and form prescribed by the commissioner. For the purpose  
1560 of uniformity of tax collection by the retailer the tax brackets set forth in  
1561 subdivision (3) of section 12-408, as amended by this act, pertaining to  
1562 the sales tax shall be employed in the computation of the tax imposed  
1563 by this section.

1564       (4) The tax required to be collected by the retailer constitutes a debt  
1565 owed to the retailer by the person purchasing tangible personal  
1566 property or services from such retailer. The amount of tax, when so

1567 collected, shall be deemed to be a special fund in trust for the state of  
1568 Connecticut.

1569 (5) The provisions of subdivision (4) of section 12-408, as amended by  
1570 this act, pertaining to the sales tax shall apply with equal force to the use  
1571 tax.

1572 (6) The tax required to be collected by the retailer from the purchaser  
1573 shall be displayed separately from the list price, the price advertised in  
1574 the premises, the marked price, or other price on the sales check or other  
1575 proof of sales.

1576 (7) Any person violating the provisions of subdivision (3), (5) or (6)  
1577 of this section shall be fined five hundred dollars for each offense.

1578 (8) Every retailer selling services or tangible personal property for  
1579 storage, acceptance, consumption or any other use in this state shall  
1580 register with the commissioner and give the name and address of all  
1581 agents operating in this state, the location of all distribution or sales  
1582 houses or offices or other places of business in this state and such other  
1583 information as the commissioner may require.

1584 (9) For the purpose of the proper administration of this chapter and  
1585 to prevent evasion of the use tax and the duty to collect the use tax, it  
1586 shall be presumed that services or tangible personal property sold by  
1587 any person for delivery in this state is sold for storage, acceptance,  
1588 consumption or other use in this state until the contrary is established.  
1589 The burden of proving the contrary is upon the person who makes the  
1590 sale unless such person takes from the purchaser a certificate to the  
1591 effect that the services or property is purchased for resale.

1592 (10) The certificate relieves the person selling the services or property  
1593 from the burden of proof only if taken in good faith from a person who  
1594 is engaged in the business of selling services or tangible personal  
1595 property and who holds the permit provided for by section 12-409 and  
1596 who, at the time of purchasing the services or tangible personal  
1597 property, intends to sell it in the regular course of business or is unable

1598 to ascertain at the time of purchase whether the service or property will  
1599 be sold or will be used for some other purpose.

1600 (11) The certificate shall be signed by and bear the name and address  
1601 of the purchaser, shall indicate the number of the permit issued to the  
1602 purchaser and shall indicate the general character of the service or  
1603 tangible personal property sold by the purchaser in the regular course  
1604 of business. The certificate shall be substantially in such form as the  
1605 commissioner may prescribe.

1606 (12) (A) If a purchaser who gives a certificate makes any storage or  
1607 use of the service or property other than retention, demonstration or  
1608 display while holding it for sale in the regular course of business, the  
1609 storage or use is taxable as of the time the service or property is first so  
1610 stored or used.

1611 (B) Notwithstanding the provisions of subparagraph (A) of this  
1612 subdivision, any storage or use by a certificated air carrier of an aircraft  
1613 for purposes other than retention, demonstration or display while  
1614 holding it for sale in the regular course of business shall not be deemed  
1615 a taxable storage or use by such carrier as of the time the aircraft is first  
1616 stored or used by such carrier, irrespective of the classification of such  
1617 aircraft on the balance sheet of such carrier for accounting and tax  
1618 purposes.

1619 (13) It shall be presumed that tangible personal property shipped or  
1620 brought to this state by the purchaser was purchased from a retailer for  
1621 storage, use or other consumption in this state.

1622 (14) (A) For the purpose of the proper administration of this chapter  
1623 and to prevent evasion of the use tax, a purchase of any service  
1624 described in subdivision (37) of subsection (a) of section 12-407, as  
1625 amended by this act, shall be considered a purchase for resale only if the  
1626 service to be resold is an integral, inseparable component part of a  
1627 service described in said subdivision that is to be subsequently sold by  
1628 the purchaser to an ultimate consumer. The purchaser of the service for  
1629 resale shall maintain, in such form as the commissioner requires, records

1630 that substantiate: (i) From whom the service was purchased and to  
 1631 whom the service was sold; (ii) the purchase price of the service; and  
 1632 (iii) the nature of the service to demonstrate that the service was an  
 1633 integral, inseparable component part of a service described in  
 1634 subdivision (37) of subsection (a) of section 12-407, as amended by this  
 1635 act, that was subsequently sold to a consumer.

1636 (B) Notwithstanding the provisions of subparagraph (A) of this  
 1637 subdivision, no purchase of a service described in subdivision (37) of  
 1638 subsection (a) of section 12-407, as amended by this act, by a purchaser  
 1639 shall be considered a purchase for resale if such service is to be  
 1640 subsequently sold by the purchaser to an ultimate consumer that is  
 1641 affiliated with the purchaser in the manner described in subparagraph  
 1642 (A) of subdivision (62) of section 12-412.

1643 (15) For the purpose of the proper administration of this chapter and  
 1644 to prevent evasion of the use tax, no purchase of any service by a  
 1645 purchaser shall be considered a purchase for resale if such service is to  
 1646 be subsequently sold by the purchaser, without change, to an ultimate  
 1647 consumer that is affiliated with the purchaser in the manner described  
 1648 in subparagraph (A) of subdivision (62) of section 12-412.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	New section
Sec. 2	<i>July 1, 2021</i>	New section
Sec. 3	<i>July 1, 2021</i>	New section
Sec. 4	<i>July 1, 2021</i>	New section
Sec. 5	<i>July 1, 2021</i>	New section
Sec. 6	<i>July 1, 2021</i>	New section
Sec. 7	<i>July 1, 2021</i>	New section
Sec. 8	<i>July 1, 2021, and applicable to sales occurring on or after July 1, 2021</i>	12-407

Sec. 9	<i>July 1, 2021, and applicable to sales occurring on or after July 1, 2021</i>	12-408
Sec. 10	<i>July 1, 2021, and applicable to sales occurring on or after July 1, 2021</i>	12-411

***Statement of Purpose:***

To (1) require that (A) short-term rental properties be licensed by the Commissioner of Consumer Protection, (B) short-term rental operators notify owners of abutting and adjacent properties regarding use of a dwelling unit as a short-term rental property, and (C) short-term rental operators maintain minimum insurance coverage and the Insurance Commissioner adopt regulations concerning such coverage, (2) permit municipalities to tax short-term rental operators, and (3) subject short-term rental transactions to the sales and use tax.

*[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.]*



# *Town of Simsbury*

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

## **Work Group Reviewing an Ordinance Regarding Short-Term Rentals**

Monday, March 9, 2020

Main Meeting Room, Town Hall, 933 Hopmeadow Street

### **SPECIAL MEETING MINUTES – DRAFT**

Members Present: Chris Peterson, Jackie Battos, Bruce Elliot, Ron Jodice, Liz Peterson

Staff Present: Thomas Fitzgerald, Mike Glidden

The meeting was called to order at 8:11am

#### **1) Review and Discussion of Draft Ordinance Created by Staff**

The group continued discussion on the draft ordinance and included suggested changes for staff to make for next meeting.

#### **2) Next Steps and Meeting Date**

Another meeting will be needed to discuss the rest of the document. March 16<sup>th</sup> at 8:15 AM in the Main Meeting Room was identified as the next meeting date of the Workgroup.

#### **3) Approval of Minutes**

The minutes of the February 21, 2020 meeting were approved by consensus.

The meeting adjourned at 9:45am.

Respectfully Submitted,  
Thomas Fitzgerald  
Management Specialist