
OFA Bill Analysis

SB 1551

AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT'S SPENDING ON ARTS AND HUMANITIES ACTIVITIES.

SUMMARY:

This bill diverts 10% of the revenue from the 1% meals and beverage tax to the "culture and tourism account," a non-appropriated account, each quarter, starting with the quarter ending on September 30, 2025. The bill also requires any organization that receives a grant-in-aid through the culture and tourism account to submit a detailed expenditure report to Connecticut Humanities, a nonprofit entity.

EFFECTIVE DATE: July 1, 2025, and applicable to sales occurring on or after that date, except Section 1 which is effective from passage.

§§ 1 – 3 – CULTURE AND TOURISM ACCOUNT

The bill requires 10% of revenue from the 1% meals and beverage tax to the "culture and tourism account." The bill specifies that the funding is to be used to provide grants-in-aid to organizations engaging in or promoting the arts, helping to make the state a destination for leisure and business travelers, preserving and promoting historic resources and interpreting and presenting the state's history and culture.

The bill also clarifies that the culture and tourism account is a non-appropriated account.

§ 4 – CULTURE AND TOURISM GRANTS-IN-AID REPORTING REQUIREMENT

The bill requires any organization that receives a grant-in-aid from the Department of Economic and Community Development through the culture and tourism account to submit a detailed report to

Connecticut Humanities not later than six months after receiving such grant-in-aid. The report must include information concerning the expenditure of grant funding and the finances of the organization.

Connecticut Humanities must report to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and commerce on the information received from these grant recipient organizations.

BACKGROUND

1% Meals and Beverage Tax

The 1% meals and beverage tax applies in addition to the state's 6.35% sales and use tax, for a combined 7.35% tax on these sales.

By law, the tax applies to sales of (1) meals sold by eating establishments, caterers, or grocery stores and (2) liquors, soft drinks, sodas, and beverages ordinarily dispensed at, or in connection with, bars and soda fountains. A "meal" is food sold in ready-to-eat form or wrapped as "take-out" or "to-go" to be eaten elsewhere. An "eating establishment" includes a restaurant, cafeteria, grinder shop, pizzeria, drive-in, fast food outlet, ice cream truck, hot dog cart, refreshment stand, sandwich shop, private and social club, cocktail lounge, tavern, diner, snack bar, and hotel or boarding house that furnishes both lodging and meals to its guests (CGS § 12-412(13)).

Related Bills

HB 1456, favorably reported by the Appropriations Committee, also diverts 10% of the revenue from the 1% meals and beverage tax but to the Tourism Fund instead.

COMMITTEE ACTION

Appropriations Committee

Joint Favorable

Yea 48 Nay 6 (04/24/2025)