

# Finance, Revenue and Bonding Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-5977

AN ACT EXEMPTING THE SALE AND USE OF CERTAIN TANGIBLE  
PERSONAL PROPERTY FOR MIXED-INCOME DEVELOPMENTS FROM THE

**Title:** SALES AND USE TAXES.

**Vote Date:** 4/24/2025

**Vote Action:** Joint Favorable

**PH Date:** 2/26/2025

**File No.:** 854

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### SPONSORS OF BILL:

Finance, Revenue, & Bonding Committee

### REASONS FOR BILL:

This bill would help to facilitate the creation of affordable housing in Connecticut by specifically exempting construction materials used in affordable housing projects from the sales and use tax.

### RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

### NATURE AND SOURCES OF SUPPORT:

#### **Rojas, Jason, House Majority Leader, Connecticut General Assembly**

Rep. Jason Rojas writes in support of the bill, stating how it would ease the creation of affordable housing that Connecticut is in desperate need of by exempting specific materials used in the construction of affordable housing from the sales and use tax.

#### **Davis, Christopher, President of Public Policy, CBIA**

Mr. Davis writes in support of the bill, stating that it would lower construction costs and incentivize developers to undertake affordable housing projects while attracting and retaining a skilled workforce to help fill the over 75,000 job openings in Connecticut.

#### **Palasieski, Francis, Director of Government Affairs, Northeastern Retail Lumber**

They write in support of the bill, however, make recommendations on how to improve it. They believe the bill is not very specific as to which materials used in construction of affordable housing projects would be exempt from the sales and use tax. They suggest applying the sales and use tax exemption to all building materials to help simplify this matter. They believe by doing this, it would improve compliance, reduce tax errors and avoidance, and enhance administration by tax audit officials. Another concern they made was (depending on how the bill is structured and materials that are exempt) that the bill could be difficult for lumber dealers and material suppliers to implement and tax officials to administer. Its few benefits would be outweighed by those additional costs.

**NATURE AND SOURCES OF OPPOSITION:**

None Expressed.

**Reported by: Jay Snukis**

**Date: 5/7/25**