



General Assembly

January Session, 2025

Committee Bill No. 5977

LCO No. 7180



Referred to Committee on FINANCE, REVENUE AND
BONDING

Introduced by:
(FIN)

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

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

1 Section 1. Subdivision (29) of section 12-412 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2025, and applicable to sales occurring on or after October 1, 2025*):

4 (29) (A) (i) Sales of and the storage, use or other consumption of
5 tangible personal property acquired for incorporation into or used and
6 consumed in the operation of housing facilities for low and moderate
7 income families and persons and sales of and the acceptance, use or
8 other consumption of any service described in subdivision (2) of section
9 12-407 that is used and consumed in the development, construction,
10 rehabilitation, renovation, repair or operation of housing facilities for
11 low and moderate income families and persons, provided such facilities
12 are constructed under the sponsorship of and owned or operated by
13 nonprofit housing organizations or housing authorities, as defined in
14 subsection (b) of section 8-39. The nonprofit housing organization or

15 housing authority sponsoring the construction of or owning or
16 operating such housing facility shall obtain from the commissioner a
17 letter of determination that the housing facility has, to the satisfaction of
18 said commissioner, met all the requirements for exemption under this
19 [subsection] subparagraph and subparagraph (B) of this subdivision.

20 (ii) At the time of any sale or purchase that is exempt under this
21 [subsection] subparagraph, the purchaser shall present to the retailer a
22 copy of the determination letter that was issued to the nonprofit housing
23 organization or housing authority together with a certificate from the
24 purchaser, in such form as the commissioner may prescribe, certifying
25 that the tangible personal property or services that are being purchased
26 from the retailer are to be used or consumed exclusively for the
27 purposes of incorporation into or in the development, construction,
28 rehabilitation, renovation, repair or operation of the housing facility
29 identified in the letter of determination.

30 (iii) For the purposes of this [subsection, (i)] subparagraph and
31 subparagraph (B) of this subdivision, (I) "nonprofit housing
32 organization" means any organization [which] that has as one of its
33 purposes the development, construction, sponsorship or ownership of
34 housing for low and moderate income families as stated in its charter, if
35 it is incorporated, or its constitution or bylaws, if it is unincorporated,
36 and [which] that has received exemption from federal income tax under
37 the provisions of Section 501(c) of the Internal Revenue Code, as
38 amended from time to time, provided the charter of such organization,
39 if it is incorporated, or its constitution or bylaws, if unincorporated, shall
40 contain a provision that no officer, member or employee thereof shall
41 receive or at any future time may receive any pecuniary profit from the
42 operation thereof, except a reasonable compensation for services in
43 effecting the purposes of the organization; [(ii)] (II) "housing facilities"
44 means facilities having as their primary purpose the provision of safe
45 and adequate housing and related facilities for low and moderate
46 income families and persons, notwithstanding that said housing
47 provides other dwelling accommodations in addition to the primary

48 purpose of providing dwelling accommodations for low and moderate
49 income families; [(iii)] (III) "related facilities" means those facilities
50 defined in subsection (d) of section 8-243; and [(iv)] (IV) "low and
51 moderate income families" means those families [as] defined in
52 subsection (h) of [said] section 8-243.

53 (B) Sales of and the acceptance, use or other consumption of any
54 service described in subdivision (2) of section 12-407 that is used or
55 consumed in the development, construction, renovation or operation of
56 housing facilities for low and moderate income families and persons,
57 provided such facilities are owned or sponsored by a mutual housing
58 association, as defined in subsection (b) of section 8-214f, and operated
59 as mutual housing by such association at a location that was conveyed
60 to such association by the United States Secretary of Housing and Urban
61 Development prior to September 1, 1995.

62 (C) (i) Sales of and the storage, use or other consumption of tangible
63 personal property acquired for incorporation into or used and
64 consumed in the development, construction, rehabilitation, renovation,
65 repair or operation of dwelling units certified by the commissioner as
66 part of a mixed-income development.

67 (ii) At the time of any sale or purchase that is exempt under this
68 subparagraph, the purchaser shall present to the retailer a copy of the
69 certification issued by the commissioner to the purchaser together with
70 a certificate from the purchaser, in such form as the commissioner may
71 prescribe, certifying that the tangible personal property that is being
72 purchased from the retailer are to be used or consumed exclusively for
73 the purposes of incorporation into or in the development, construction,
74 rehabilitation, renovation, repair or operation of dwelling units of a
75 mixed-income development.

76 (iii) For the purposes of this subparagraph: "Median income" means,
77 after adjustments for family size, the lesser of the state median income
78 or the area median income for the area in which the municipality
79 containing the mixed-income development is located, as determined by

80 the United States Department of Housing and Urban Development, and
 81 "mixed-income development" means a development in which (I) not less
 82 than forty per cent of the dwelling units will be conveyed by deeds
 83 containing covenants or restrictions that shall require that, for at least
 84 forty years after the initial occupation of the proposed development,
 85 such dwelling units shall be sold or rented at or below prices that will
 86 preserve the units as housing for which persons and families pay thirty
 87 per cent or less of their annual income, where such income is less than
 88 or equal to eighty per cent of the median income, and (II) of the dwelling
 89 units conveyed by deeds containing covenants or restrictions, a number
 90 of dwelling units equal to not less than fifteen per cent of all dwelling
 91 units in the development shall be sold or rented to persons and families
 92 whose income is less than or equal to sixty per cent of the median
 93 income and the remainder of the dwelling units conveyed by deeds
 94 containing covenants or restrictions shall be sold or rented to persons
 95 and families whose income is less than or equal to eighty per cent of the
 96 median income.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2025, and applicable to sales occurring on or after October 1, 2025</i>	12-412(29)
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Statement of Purpose:

To exempt from the sales and use taxes the sale of and the storage, use or other consumption in this state of tangible personal property acquired for incorporation into or used and consumed in the development, construction, rehabilitation, renovation, repair or operation of dwelling units of a mixed-income development.

[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.]

Co-Sponsors: REP. ROJAS, 9th Dist.; REP. DOUCETTE, 13th Dist.

H.B. 5977