



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2 repealed and the following is substituted in lieu thereof (*Effective October*  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 is 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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**FIN**      *Joint Favorable*