



General Assembly

January Session, 2025

Committee Bill No. 5983

LCO No. 7251



Referred to Committee on FINANCE, REVENUE AND
BONDING

Introduced by:
(FIN)

***AN ACT CONCERNING THE SALES AND USE TAXES RATES
APPLICABLE TO PEER-TO-PEER CAR SHARING.***

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

1 Section 1. Subdivision (1) of section 12-408 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2025, and applicable to sales occurring on or after July 1, 2025*):

4 (1) (A) For the privilege of making any sales, as defined in
5 subdivision (2) of subsection (a) of section 12-407, at retail, in this state
6 for a consideration, a tax is hereby imposed on all retailers at the rate of
7 six and thirty-five-hundredths per cent of the gross receipts of any
8 retailer from the sale of all tangible personal property sold at retail or
9 from the rendering of any services constituting a sale in accordance with
10 subdivision (2) of subsection (a) of section 12-407, except, in lieu of said
11 rate, the rates provided in subparagraphs (B) to (I), inclusive, of this
12 subdivision;

13 (B) (i) At a rate of fifteen per cent with respect to each transfer of
14 occupancy, from the total amount of rent received by a hotel or lodging

15 house for the first period not exceeding thirty consecutive calendar
16 days;

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

21 (C) With respect to the sale of a motor vehicle to any individual who
22 is a member of the armed forces of the United States and is on full-time
23 active duty in Connecticut and who is considered, under 50 [App] USC
24 App 574, a resident of another state, or to any such individual and the
25 spouse thereof, at a rate of four and one-half per cent of the gross
26 receipts of any retailer from such sales, provided such retailer requires
27 and maintains a declaration by such individual, prescribed as to form
28 by the commissioner and bearing notice to the effect that false
29 statements made in such declaration are punishable, or other evidence,
30 satisfactory to the commissioner, concerning the purchaser's state of
31 residence under 50 [App] USC App 574;

32 (D) (i) With respect to the sales of computer and data processing
33 services occurring on or after July 1, 2001, at the rate of one per cent, and
34 (ii) with respect to sales of Internet access services, on and after July 1,
35 2001, such services shall be exempt from such tax;

36 (E) (i) With respect to the sales of labor that is otherwise taxable under
37 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section
38 12-407 on existing vessels and repair or maintenance services on vessels
39 occurring on and after July 1, 1999, such services shall be exempt from
40 such tax;

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

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

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

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

57 (ii) With respect to peer-to-peer car sharing, as defined in section 13b-
58 127, as amended by this act, for a period of thirty consecutive calendar
59 days or less, at a rate of nine and thirty-five-hundredths per cent;

60 (H) With respect to the sale of (i) a motor vehicle for a sales price
61 exceeding fifty thousand dollars, at a rate of seven and three-fourths per
62 cent on the entire sales price, (ii) jewelry, whether real or imitation, for
63 a sales price exceeding five thousand dollars, at a rate of seven and
64 three-fourths per cent on the entire sales price, and (iii) an article of
65 clothing or footwear intended to be worn on or about the human body,
66 a handbag, luggage, umbrella, wallet or watch for a sales price
67 exceeding one thousand dollars, at a rate of seven and three-fourths per
68 cent on the entire sales price. For purposes of this subparagraph, "motor
69 vehicle" has the meaning provided in section 14-1, but does not include
70 a motor vehicle subject to the provisions of subparagraph (C) of this
71 subdivision, a motor vehicle having a gross vehicle weight rating over
72 twelve thousand five hundred pounds, or a motor vehicle having a
73 gross vehicle weight rating of twelve thousand five hundred pounds or
74 less that is not used for private passenger purposes, but is designed or
75 used to transport merchandise, freight or persons in connection with
76 any business enterprise and issued a commercial registration or more
77 specific type of registration by the Department of Motor Vehicles;

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

84 (J) The rate of tax imposed by this chapter shall be applicable to all
85 retail sales upon the effective date of such rate, except that a new rate
86 that represents an increase in the rate applicable to the sale shall not
87 apply to any sales transaction wherein a binding sales contract without
88 an escalator clause has been entered into prior to the effective date of the
89 new rate and delivery is made within ninety days after the effective date
90 of the new rate. For the purposes of payment of the tax imposed under
91 this section, any retailer of services taxable under subdivision (37) of
92 subsection (a) of section 12-407, who computes taxable income, for
93 purposes of taxation under the Internal Revenue Code of 1986, or any
94 subsequent corresponding internal revenue code of the United States,
95 as amended from time to time, on an accounting basis that recognizes
96 only cash or other valuable consideration actually received as income
97 and who is liable for such tax only due to the rendering of such services
98 may make payments related to such tax for the period during which
99 such income is received, without penalty or interest, without regard to
100 when such service is rendered;

101 (K) (i) For calendar quarters ending on or after September 30, 2019,
102 the commissioner shall deposit into the regional planning incentive
103 account, established pursuant to section 4-66k, six and seven-tenths per
104 cent of the amounts received by the state from the tax imposed under
105 subparagraph (B) of this subdivision and ten and seven-tenths per cent
106 of the amounts received by the state from the tax imposed under
107 subparagraph (G)(i) of this subdivision;

108 (ii) For calendar quarters ending on or after September 30, 2018, the
109 commissioner shall deposit into the Tourism Fund established under
110 section 10-395b ten per cent of the amounts received by the state from

111 the tax imposed under subparagraph (B) of this subdivision;

112 (L) (i) For calendar months commencing on or after July 1, 2021, but
113 prior to July 1, 2023, the commissioner shall deposit into the municipal
114 revenue sharing account established pursuant to section 4-66l seven and
115 nine-tenths per cent of the amounts received by the state from the tax
116 imposed under subparagraph (A) of this subdivision, including such
117 amounts received on or after July 1, 2023, attributable to the fiscal year
118 ending June 30, 2023; and

119 (ii) For calendar months commencing on or after July 1, 2023, the
120 commissioner shall deposit into the Municipal Revenue Sharing Fund
121 established pursuant to section 4-66p seven and nine-tenths per cent of
122 the amounts received by the state from the tax imposed under
123 subparagraph (A) of this subdivision; [and]

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

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

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

141 (iv) For calendar months commencing on or after July 1, 2020, but

142 prior to July 1, 2021, the commissioner shall deposit into the Special
143 Transportation Fund established under section 13b-68 twenty-five per
144 cent of the amounts received by the state from the tax imposed under
145 subparagraphs (A) and (H) of this subdivision on the sale of a motor
146 vehicle;

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

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

158 (N) For calendar quarters ending on or after September 30, 2025, the
159 commissioner shall deposit into the regional planning incentive
160 account, established pursuant to section 4-66k, one hundred per cent of
161 the amounts received by the state from the tax imposed under
162 subparagraph (G)(ii) of this subdivision.

163 Sec. 2. Subdivision (1) of section 12-411 of the general statutes is
164 repealed and the following is substituted in lieu thereof (*Effective July 1,*
165 *2025, and applicable to sales occurring on or after July 1, 2025*):

166 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
167 consumption or any other use in this state of tangible personal property
168 purchased from any retailer for storage, acceptance, consumption or any
169 other use in this state, the acceptance or receipt of any services
170 constituting a sale in accordance with subdivision (2) of subsection (a)
171 of section 12-407, purchased from any retailer for consumption or use in
172 this state, or the storage, acceptance, consumption or any other use in
173 this state of tangible personal property which has been manufactured,

174 fabricated, assembled or processed from materials by a person, either
175 within or without this state, for storage, acceptance, consumption or any
176 other use by such person in this state, to be measured by the sales price
177 of materials, at the rate of six and thirty-five-hundredths per cent of the
178 sales price of such property or services, except, in lieu of said rate:

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

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

185 (C) With respect to the storage, acceptance, consumption or use in
186 this state of a motor vehicle purchased from any retailer for storage,
187 acceptance, consumption or use in this state by any individual who is a
188 member of the armed forces of the United States and is on full-time
189 active duty in Connecticut and who is considered, under 50 [App] USC
190 App 574, a resident of another state, or to any such individual and the
191 spouse of such individual at a rate of four and one-half per cent of the
192 sales price of such vehicle, provided such retailer requires and
193 maintains a declaration by such individual, prescribed as to form by the
194 commissioner and bearing notice to the effect that false statements made
195 in such declaration are punishable, or other evidence, satisfactory to the
196 commissioner, concerning the purchaser's state of residence under 50
197 [App] USC App 574;

198 (D) (i) With respect to the acceptance or receipt in this state of labor
199 that is otherwise taxable under subparagraph (C) or (G) of subdivision
200 (2) of subsection (a) of section 12-407 on existing vessels and repair or
201 maintenance services on vessels occurring on and after July 1, 1999, such
202 services shall be exempt from such tax;

203 (ii) (I) With respect to the storage, acceptance or other use of a vessel
204 in this state, at the rate of two and ninety-nine-hundredths per cent,
205 except that such storage, acceptance or other use shall be exempt from

206 such tax if such vessel is docked in this state for sixty or fewer days in a
207 calendar year;

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

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

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

221 (F) With respect to the acceptance or receipt in this state of patient
222 care services purchased from any retailer for consumption or use in this
223 state for which payment is received by the hospital on or after July 1,
224 1999, and prior to July 1, 2001, at the rate of five and three-fourths per
225 cent and on and after July 1, 2001, such services shall be exempt from
226 such tax;

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

230 (ii) With respect to peer-to-peer car sharing, as defined in section 13b-
231 127, as amended by this act, for a period of thirty consecutive calendar
232 days or less, at a rate of nine and thirty-five-hundredths per cent;

233 (H) With respect to the acceptance or receipt in this state of (i) a motor
234 vehicle for a sales price exceeding fifty thousand dollars, at a rate of
235 seven and three-fourths per cent on the entire sales price, (ii) jewelry,

236 whether real or imitation, for a sales price exceeding five thousand
237 dollars, at a rate of seven and three-fourths per cent on the entire sales
238 price, and (iii) an article of clothing or footwear intended to be worn on
239 or about the human body, a handbag, luggage, umbrella, wallet or
240 watch for a sales price exceeding one thousand dollars, at a rate of seven
241 and three-fourths per cent on the entire sales price. For purposes of this
242 subparagraph, "motor vehicle" has the meaning provided in section 14-
243 1, but does not include a motor vehicle subject to the provisions of
244 subparagraph (C) of this subdivision, a motor vehicle having a gross
245 vehicle weight rating over twelve thousand five hundred pounds, or a
246 motor vehicle having a gross vehicle weight rating of twelve thousand
247 five hundred pounds or less that is not used for private passenger
248 purposes, but is designed or used to transport merchandise, freight or
249 persons in connection with any business enterprise and issued a
250 commercial registration or more specific type of registration by the
251 Department of Motor Vehicles;

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

259 (J) (i) For calendar quarters ending on or after September 30, 2019, the
260 commissioner shall deposit into the regional planning incentive
261 account, established pursuant to section 4-66k, six and seven-tenths per
262 cent of the amounts received by the state from the tax imposed under
263 subparagraph (B) of this subdivision and ten and seven-tenths per cent
264 of the amounts received by the state from the tax imposed under
265 subparagraph (G)(i) of this subdivision;

266 (ii) For calendar quarters ending on or after September 30, 2018, the
267 commissioner shall deposit into the Tourism Fund established under
268 section 10-395b ten per cent of the amounts received by the state from

269 the tax imposed under subparagraph (B) of this subdivision;

270 (K) (i) For calendar months commencing on or after July 1, 2021, but
271 prior to July 1, 2023, the commissioner shall deposit into the municipal
272 revenue sharing account established pursuant to section 4-66l seven and
273 nine-tenths per cent of the amounts received by the state from the tax
274 imposed under subparagraph (A) of this subdivision, including such
275 amounts received on or after July 1, 2023, attributable to the fiscal year
276 ending June 30, 2023; and

277 (ii) For calendar months commencing on or after July 1, 2023, the
278 commissioner shall deposit into the Municipal Revenue Sharing Fund
279 established pursuant to section 4-66p seven and nine-tenths per cent of
280 the amounts received by the state from the tax imposed under
281 subparagraph (A) of this subdivision; [and]

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

286 (ii) For calendar months commencing on or after July 1, 2018, but
287 prior to July 1, 2019, the commissioner shall deposit into the Special
288 Transportation Fund established under section 13b-68 eight per cent of
289 the amounts received by the state from the tax imposed under
290 subparagraphs (A) and (H) of this subdivision on the acceptance or
291 receipt in this state of a motor vehicle;

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

298 (iv) For calendar months commencing on or after July 1, 2020, but
299 prior to July 1, 2021, the commissioner shall deposit into the Special

300 Transportation Fund established under section 13b-68 twenty-five per
301 cent of the amounts received by the state from the tax imposed under
302 subparagraphs (A) and (H) of this subdivision on the acceptance or
303 receipt in this state of a motor vehicle;

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

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

316 (M) For calendar quarters ending on or after September 30, 2025, the
317 commissioner shall deposit into the regional planning incentive
318 account, established pursuant to section 4-66k, one hundred per cent of
319 the amounts received by the state from the tax imposed under
320 subparagraph (G)(ii) of this subdivision.

321 Sec. 3. Section 13b-127 of the general statutes is repealed and the
322 following is substituted in lieu thereof (*Effective July 1, 2025*):

323 For the purposes of this [section and sections 13b-127a to 13b-127l,
324 inclusive] chapter:

325 (1) "Peer-to-peer car sharing" means the authorized use of a shared
326 vehicle for financial consideration by a person other than the vehicle's
327 owner through a peer-to-peer car sharing platform.

328 (2) "Peer-to-peer car sharing company" or "company" means [a car
329 sharing platform that connects vehicle owners with drivers] any person,

330 corporation, limited partnership or other legal entity that is engaged in
331 the business of operating a car sharing platform to enable [the sharing
332 of vehicles for financial consideration] peer-to-peer car sharing in this
333 state. "Peer-to-peer car sharing company" does not include any person
334 licensed pursuant to section 14-15.

335 (3) "Car sharing platform" means a physical or electronic place,
336 including, but not limited to, a store, a booth, an Internet web site, a
337 catalog or a dedicated software application that allows a shared vehicle
338 owner to make a shared vehicle available for peer-to-peer car sharing
339 and connect a shared vehicle owner with a shared vehicle driver.

340 (4) "Car sharing agreement" means the terms and conditions
341 applicable to a shared vehicle owner and a shared vehicle driver that
342 govern the use of a shared vehicle through a peer-to-peer sharing
343 platform. "Car sharing agreement" does not include [any] a motor
344 vehicle rental [contracts] contract.

345 (5) "Shared vehicle" means a vehicle that is available for sharing
346 through a peer-to-peer car sharing platform. "Shared vehicle" does not
347 include a passenger motor vehicle used for rental purposes by any
348 person licensed pursuant to section 14-15.

349 (6) "Shared vehicle driver" means a person authorized by the shared
350 vehicle owner to drive the shared vehicle under a car sharing
351 agreement. "Shared vehicle driver" does not include a lessee, as that
352 term is used in section 14-15.

353 (7) "Shared vehicle owner" means the registered owner, or a person
354 or entity designated by the registered owner, of a vehicle made available
355 on a peer-to-peer car sharing platform. "Shared vehicle owner" does not
356 include a person licensed or required to be licensed pursuant to section
357 14-15.

358 (8) "Car sharing delivery period" means the period of time during
359 which a shared vehicle is being delivered to the location of the car
360 sharing start time, if applicable, as documented by the car sharing

361 agreement.

362 (9) "Car sharing period" means the period of time that begins at the
 363 start of the car sharing delivery period or, if there is no car sharing
 364 delivery period, that begins at the car sharing start time, and ends at the
 365 car sharing termination time.

366 (10) "Car sharing start time" means the time when a shared vehicle
 367 driver takes possession and control of the shared vehicle at or after the
 368 time the reservation of a shared vehicle is scheduled to begin as
 369 documented in the records of the peer-to-peer car sharing platform.

370 (11) "Car sharing termination time" means the earliest of the
 371 following events:

372 (A) The expiration of the agreed upon period of time established for
 373 the use of a shared vehicle according to the terms of the car sharing
 374 agreement if the shared vehicle is delivered to the location agreed upon
 375 in such agreement;

376 (B) When the shared vehicle is returned to a location as alternatively
 377 agreed upon by the shared vehicle owner and shared vehicle driver as
 378 communicated through a car sharing platform and incorporated into the
 379 car sharing agreement; or

380 (C) When the shared vehicle owner or the shared vehicle owner's
 381 authorized designee takes possession and control of the shared vehicle.

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

Section 1	<i>July 1, 2025, and applicable to sales occurring on or after July 1, 2025</i>	12-408(1)
Sec. 2	<i>July 1, 2025, and applicable to sales occurring on or after July 1, 2025</i>	12-411(1)

Sec. 3	<i>July 1, 2025</i>	13b-127
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FIN *Joint Favorable*