



General Assembly

January Session, 2025

Raised Bill No. 7238

LCO No. 6282



Referred to Committee on FINANCE, REVENUE AND
BONDING

Introduced by:
(FIN)

***AN ACT ESTABLISHING A STATE SHORT-TERM RENTAL REGISTRY
AND AUTHORIZING AN OPTIONAL MUNICIPAL SUPPLEMENTAL
TAX ON SHORT-TERM RENTALS.***

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

1 Section 1. (NEW) (*Effective October 1, 2025*) (a) As used in this section,
2 "short-term rental", "short-term rental facilitator", "short-term rental
3 operator" and "short-term platform" have the same meanings as
4 provided in section 12-408h of the general statutes, as amended by this
5 act.

6 (b) (1) Each short-term rental operator that lists or advertises a short-
7 term rental located in the state and each owner of a short-term rental
8 located in the state who lists or advertises such rental solely through
9 means other than a short-term rental facilitator shall register each such
10 short-term rental property annually with the Department of Revenue
11 Services, in a form and manner prescribed by the Commissioner of
12 Revenue Services. Each such operator or owner that lists or advertises a
13 short-term rental prior to January 1, 2026, shall register such short-term
14 rental property with the department not later than January 1, 2026. On

15 and after January 1, 2026, no such operator or owner shall list or
16 advertise a short-term rental prior to registering such short-term rental
17 property with the department.

18 (2) Each short-term rental property shall be registered separately and
19 each registration shall include:

20 (A) The address of the short-term rental;

21 (B) (i) (I) The name and contact information of the short-term rental
22 operator and, if such operator is not the short-term rental owner, the
23 name and contact information of the short-term rental owner, or (II) the
24 name and contact information of the owner of a short-term rental
25 located in the state who lists or advertises such rental solely through
26 means other than a short-term rental facilitator, and (ii) if such short-
27 term rental operator or short-term rental owner is located out-of-state,
28 the name and contact information of an agent in the state for service of
29 process;

30 (C) (i) A description of the short-term rental, including the space
31 intended for use such as the entire residence, a shared space within a
32 residence or a private room, and (ii) the number of rooms for rent, where
33 applicable, at such short-term rental property; and

34 (D) A registration fee of one hundred dollars per short-term rental
35 property to cover administrative costs of establishing, updating and
36 maintaining the short-term rental registry under subsection (c) of this
37 section.

38 (c) (1) The Commissioner of Revenue Services shall establish a short-
39 term rental registry to compile the registrations submitted under this
40 section. Such registry shall be posted on the Department of Revenue
41 Services' Internet web site and shall be searchable or organized in a
42 manner that allows an individual to view the registered short-term
43 rentals that are located within a given municipality.

44 (2) A short-term rental operator or a short-term rental owner
45 described in subdivision (1) of subsection (b) of this section shall notify
46 the commissioner of any change in the registration information
47 provided under said subsection not later than thirty days after such
48 change takes effect.

49 (d) If the Commissioner of Revenue Services determines that a short-
50 term rental operator or a short-term rental owner described in
51 subdivision (1) of subsection (b) of this section is listing or advertising a
52 short-term rental for a property that is not registered under subsection
53 (b) of this section, the commissioner may impose a civil penalty of up to
54 one thousand dollars per violation.

55 Sec. 2. (NEW) (*Effective January 1, 2026*) (a) As used in this section, (1)
56 "municipality" means a town, city, consolidated town and city or
57 consolidated town and borough, and (2) "short-term rental" and "short-
58 term rental operator" have the same meanings as provided in section 12-
59 408h of the general statutes, as amended by this act.

60 (b) (1) Notwithstanding the provisions of any special act or municipal
61 charter or ordinance, any municipality may, by vote of its legislative
62 body or, in a municipality where the legislative body is a town meeting,
63 by vote of the board of selectmen, approve a supplemental tax on each
64 retail sale of a short-term rental located within such municipality, up to
65 a maximum of two and seventy-five-hundredths per cent with respect
66 to each transfer of occupancy, from the total amount of rent received by
67 a short-term rental operator or by a short-term rental owner described
68 in subdivision (1) of subsection (b) of section 1 of this act, for the first
69 period not exceeding thirty consecutive calendar days.

70 (2) Such supplemental tax shall be effective not earlier than sixty days
71 after the date of such approval. The chief executive officer of the
72 municipality shall notify the Commissioner of Revenue Services of such
73 approval, the rate of the supplemental tax and the date the
74 supplemental tax will be effective. The commissioner shall provide

75 notice of such approval, rate and effective date to each short-term rental
76 operator and each short-term rental owner described in subdivision (1)
77 of subsection (b) of section 1 of this act, that has registered a short-term
78 rental property located within such municipality.

79 (3) A municipality that has approved a supplemental tax pursuant to
80 this subsection may vote to change the rate of such tax, provided the
81 new rate does not exceed the maximum rate set forth in subdivision (1)
82 of this subsection. The provisions of subdivision (2) of this subsection
83 shall apply to any rate change approved by a municipality.

84 (c) Any supplemental tax received by a municipality pursuant to
85 subsection (d) of this section shall be used by the municipality to
86 increase the supply of housing in the municipality for renters and
87 prospective homeowners, including, but not limited to, depositing such
88 funds into a housing trust fund for the purposes set forth in section 8-2i
89 of the general statutes.

90 (d) The Commissioner of Revenue Services shall maintain an
91 accounting of all supplemental tax amounts remitted, aggregated by
92 municipality, and shall deposit such amounts in the municipal short-
93 term rental account established under subsection (f) of this section. The
94 commissioner shall distribute on a quarterly basis, to each municipality
95 that has approved a supplemental tax pursuant to this section, any
96 supplemental tax amounts collected in the prior quarter that are
97 attributable to a short-term rental located within such municipality.

98 (e) Commencing in the calendar year 2027, and annually thereafter,
99 the Commissioner of Revenue Services shall post on the Department of
100 Revenue Services' Internet web site (1) a list of the municipalities, if any,
101 that have approved a supplemental tax pursuant to this section and the
102 rate of each supplemental tax approved, (2) the amount of supplemental
103 taxes collected under this section, aggregated by municipality, (3) the
104 number of short-term rentals located within each such municipality,
105 and (4) any other information the commissioner deems useful or

106 relevant.

107 (f) There is established an account to be known as the "municipal
108 short-term rental account", which shall be a separate, nonlapsing
109 account. The account shall contain any moneys required by law to be
110 deposited in the account. Moneys in the account shall be expended by
111 the Commissioner of Revenue Services for the purposes of subsections
112 (c) and (d) of this section.

113 Sec. 3. Section 12-408h of the general statutes is repealed and the
114 following is substituted in lieu thereof (*Effective October 1, 2025*):

115 (a) As used in this section:

116 (1) "Short-term rental" means the transfer for a consideration of the
117 occupancy in a furnished residence or similar accommodation for a
118 period of thirty consecutive calendar days or less;

119 (2) "Short-term rental facilitator" means any person that (A) facilitates
120 retail sales of at least two hundred fifty thousand dollars during the
121 prior twelve-month period by short-term rental operators by providing
122 a short-term rental platform, (B) directly or indirectly through
123 agreements or arrangements with third parties, collects rent for
124 occupancy and remits payments to the short-term rental operators, and
125 (C) receives compensation or other consideration for such services;

126 (3) "Short-term rental operator" means any person that has an
127 agreement with a short-term rental facilitator regarding the listing or
128 advertising of a short-term rental in this state; and

129 (4) "Short-term rental platform" means a physical or electronic place,
130 including, but not limited to, a store, a booth, an Internet web site, a
131 catalog or a dedicated software application that allows short-term rental
132 operators to display available accommodations to prospective guests.

133 (b) [A] Each short-term rental facilitator shall be required to obtain a
134 permit to collect the tax set forth in subparagraph (B) of subdivision (1)

135 of section 12-408 and any supplemental tax a municipality has elected
136 to impose pursuant to section 2 of this act, and shall be considered the
137 retailer for each retail sale of a short-term rental that such facilitator
138 facilitates on its platform for a short-term rental operator. Each short-
139 term rental facilitator shall (1) be required to collect and remit for each
140 such sale any tax imposed under section 12-408 and any supplemental
141 tax imposed pursuant to section 2 of this act, (2) be responsible for all
142 obligations imposed under this chapter and section 2 of this act as if such
143 short-term rental facilitator was the operator of such short-term rental
144 and retailer for such sale, and (3) keep such records and information as
145 may be required by the Commissioner of Revenue Services to ensure
146 proper collection and remittance of such tax and supplemental tax.

147 (c) On and after January 1, 2026, each short-term rental facilitator with
148 sales subject to the tax set forth in subparagraph (B) of subdivision (1)
149 of section 12-408 for which the short-term rental facilitator files a return
150 under this chapter shall disaggregate the information in the return, in
151 such form as may be prescribed by the Commissioner of Revenue
152 Services, to indicate the municipalities in which the short-term rentals
153 that generated such sales are located and list by municipality the
154 amount of such tax collected and the amount of the supplemental tax
155 collected, as applicable. The provisions of this subsection shall apply to
156 a short-term rental owner described in subdivision (1) of subsection (b)
157 of section 1 of this act who lists and advertises more than one short-term
158 rental in the state, which short-term rentals are located in more than one
159 municipality.

160 ~~[(c)]~~ (d) A short-term rental operator shall not be liable for the
161 collection of the tax set forth in subparagraph (B) of subdivision (1) of
162 section 12-408 or a supplemental tax imposed pursuant to section 2 of
163 this act to the extent the short-term rental facilitator collected the tax or
164 taxes due on such rent.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2025</i>	New section
Sec. 2	<i>January 1, 2026</i>	New section
Sec. 3	<i>October 1, 2025</i>	12-408h

Section 1	<i>October 1, 2025</i>	New section
Sec. 2	<i>January 1, 2026</i>	New section
Sec. 3	<i>October 1, 2025</i>	12-408h

Statement of Purpose:

To establish a state short-term rental registry, authorize an optional municipal supplemental tax on short-term rentals and require short-term rental return filings to include disaggregated sales tax information.

[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.]