



General Assembly

January Session, 2025

***Raised Bill No. 1456***

LCO No. 5886



Referred to Committee on COMMERCE

Introduced by:  
(CE)

***AN ACT DEDICATING A PORTION OF THE MEALS TAX REVENUE TO  
ARTS, CULTURE AND TOURISM.***

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2       repealed and the following is substituted in lieu thereof (*Effective July 1,*  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  
24 574, a resident of another state, or to any such individual and the spouse  
25 thereof, at a rate of four and one-half per cent of the gross receipts of any  
26 retailer from such sales, provided such retailer requires and maintains a  
27 declaration by such individual, prescribed as to form by the  
28 commissioner and bearing notice to the effect that false statements made  
29 in such declaration are punishable, or other evidence, satisfactory to the  
30 commissioner, concerning the purchaser's state of residence under 50  
31 App USC 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) With respect to the rental or leasing of a passenger motor vehicle  
55 for a period of thirty consecutive calendar days or less, at a rate of nine  
56 and thirty-five-hundredths per cent;

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

75 (I) With respect to the sale of meals, as defined in subdivision (13) of  
76 section 12-412, sold by an eating establishment, caterer or grocery store;  
77 and spirituous, malt or vinous liquors, soft drinks, sodas or beverages  
78 such as are ordinarily dispensed at bars and soda fountains, or in

79 connection therewith; in addition to the tax imposed under  
80 subparagraph (A) of this subdivision, at the rate of one per cent;

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

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

105 (ii) [For calendar quarters ending on or after September 30, 2018, the]  
106 The commissioner shall deposit into the Tourism Fund established  
107 under section 10-395b: (I) For calendar quarters ending on or after  
108 September 30, 2018, ten per cent of the amounts received by the state  
109 from the tax imposed under subparagraph (B) of this subdivision; and  
110 (II) for calendar quarters ending on or after September 30, 2025, ten per  
111 cent of the amounts received by the state from the tax imposed under

112 subparagraph (I) of this subdivision;

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

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

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

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

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

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

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

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

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

159 Sec. 2. Subdivision (1) of section 12-411 of the general statutes is  
160 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
161 *2025, and applicable to sales occurring on or after July 1, 2025*):

162 (1) (A) An excise tax is hereby imposed on the storage, acceptance,  
163 consumption or any other use in this state of tangible personal property  
164 purchased from any retailer for storage, acceptance, consumption or any  
165 other use in this state, the acceptance or receipt of any services  
166 constituting a sale in accordance with subdivision (2) of subsection (a)  
167 of section 12-407, purchased from any retailer for consumption or use in  
168 this state, or the storage, acceptance, consumption or any other use in  
169 this state of tangible personal property which has been manufactured,  
170 fabricated, assembled or processed from materials by a person, either  
171 within or without this state, for storage, acceptance, consumption or any  
172 other use by such person in this state, to be measured by the sales price  
173 of materials, at the rate of six and thirty-five-hundredths per cent of the  
174 sales price of such property or services, except, in lieu of said rate:

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

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

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

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

199       (ii) (I) With respect to the storage, acceptance or other use of a vessel  
200 in this state, at the rate of two and ninety-nine-hundredths per cent,  
201 except that such storage, acceptance or other use shall be exempt from  
202 such tax if such vessel is docked in this state for sixty or fewer days in a  
203 calendar year;

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

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

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

217 (F) With respect to the acceptance or receipt in this state of patient  
218 care services purchased from any retailer for consumption or use in this  
219 state for which payment is received by the hospital on or after July 1,  
220 1999, and prior to July 1, 2001, at the rate of five and three-fourths per  
221 cent and on and after July 1, 2001, such services shall be exempt from  
222 such tax;

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

226 (H) With respect to the acceptance or receipt in this state of (i) a motor  
227 vehicle for a sales price exceeding fifty thousand dollars, at a rate of  
228 seven and three-fourths per cent on the entire sales price, (ii) jewelry,  
229 whether real or imitation, for a sales price exceeding five thousand  
230 dollars, at a rate of seven and three-fourths per cent on the entire sales  
231 price, and (iii) an article of clothing or footwear intended to be worn on  
232 or about the human body, a handbag, luggage, umbrella, wallet or  
233 watch for a sales price exceeding one thousand dollars, at a rate of seven  
234 and three-fourths per cent on the entire sales price. For purposes of this  
235 subparagraph, "motor vehicle" has the meaning provided in section 14-  
236 1, but does not include a motor vehicle subject to the provisions of  
237 subparagraph (C) of this subdivision, a motor vehicle having a gross  
238 vehicle weight rating over twelve thousand five hundred pounds, or a



239 motor vehicle having a gross vehicle weight rating of twelve thousand  
240 five hundred pounds or less that is not used for private passenger  
241 purposes, but is designed or used to transport merchandise, freight or  
242 persons in connection with any business enterprise and issued a  
243 commercial registration or more specific type of registration by the  
244 Department of Motor Vehicles;

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

252 (J) (i) For calendar quarters ending on or after September 30, 2019, the  
253 commissioner shall deposit into the regional planning incentive  
254 account, established pursuant to section 4-66k, six and seven-tenths per  
255 cent of the amounts received by the state from the tax imposed under  
256 subparagraph (B) of this subdivision and ten and seven-tenths per cent  
257 of the amounts received by the state from the tax imposed under  
258 subparagraph (G) of this subdivision;

259 (ii) [For calendar quarters ending on or after September 30, 2018, the]  
260 The commissioner shall deposit into the Tourism Fund established  
261 under section 10-395b: (I) For calendar quarters ending on or after  
262 September 30, 2018, ten per cent of the amounts received by the state  
263 from the tax imposed under subparagraph (B) of this subdivision; and  
264 (II) for calendar quarters ending on or after September 30, 2025, ten per  
265 cent of the amounts received by the state from the tax imposed under  
266 subparagraph (I) of this subdivision;

267 (K) (i) For calendar months commencing on or after July 1, 2021, but  
268 prior to July 1, 2023, the commissioner shall deposit into the municipal  
269 revenue sharing account established pursuant to section 4-66l seven and  
270 nine-tenths per cent of the amounts received by the state from the tax

271 imposed under subparagraph (A) of this subdivision, including such  
272 amounts received on or after July 1, 2023, attributable to the fiscal year  
273 ending June 30, 2023; and

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

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

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

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

295 (iv) For calendar months commencing on or after July 1, 2020, but  
296 prior to July 1, 2021, the commissioner shall deposit into the Special  
297 Transportation Fund established under section 13b-68 twenty-five per  
298 cent of the amounts received by the state from the tax imposed under  
299 subparagraphs (A) and (H) of this subdivision on the acceptance or  
300 receipt in this state of a motor vehicle;

301 (v) For calendar months commencing on or after July 1, 2021, but

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

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

***CE***      *Joint Favorable C/R*

APP

***APP***      *Joint Favorable*