



# House of Representatives

General Assembly

**File No. 136**

February Session, 2026

House Bill No. 5292

*House of Representatives, March 24, 2026*

The Committee on Veterans' and Military Affairs reported through REP. FOSTER of the 57th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT EXEMPTING CERTAIN SALES TO MILITARY AND VETERANS-RELATED ORGANIZATIONS FROM THE SALES AND USE TAXES.***

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

1 Section 1. Subdivision (8) of section 12-412 of the 2026 supplement to  
2 the general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective October 1, 2026, and applicable to sales occurring on or after*  
4 *October 1, 2026*):

5 (8) Sales of tangible personal property or services to any organization  
6 that is exempt from federal income tax under Section 501(a) of the  
7 Internal Revenue Code of 1986, or any subsequent corresponding  
8 internal revenue code of the United States, as from time to time  
9 amended, and that the United States Treasury Department has  
10 expressly determined, by letter, to be an organization that is described  
11 in Section 501(c)(3), [or] (13) or (19) of said internal revenue code. At the  
12 time of the sale that is exempt under this subsection, the organization  
13 shall, in order to qualify for said exemption, do one of the following: (A)

14 Present to the retailer (i) a copy of the United States Treasury  
 15 Department determination letter that was issued to such organization  
 16 and (ii) a certificate, in such form as the commissioner may prescribe,  
 17 certifying that a United States Treasury Department determination  
 18 letter has been issued to such organization and has not been revoked  
 19 and that the tangible personal property or services that are being  
 20 purchased from the retailer by such organization are to be used or  
 21 consumed exclusively for the purposes for which such organization was  
 22 established or (B) present to the retailer (i) a copy of the exemption  
 23 permit that was issued pursuant to this subsection by the commissioner  
 24 to such organization before July 1, 1995, after a determination of  
 25 eligibility by the commissioner and (ii) a certificate, in such form as the  
 26 commissioner may prescribe, certifying that an exemption permit was  
 27 issued pursuant to this subsection by the commissioner to such  
 28 organization before July 1, 1995, and was not revoked and that the  
 29 tangible personal property or services that are being purchased from the  
 30 retailer by such organization are to be used or consumed exclusively for  
 31 the purposes for which the organization was established. The  
 32 organization shall be liable for the tax otherwise imposed if such  
 33 tangible personal property or services are not used or consumed  
 34 exclusively for the purposes for which the organization was established.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026, and applicable to sales occurring on or after October 1, 2026</i>	12-412(8)

VA Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Revenue Serv., Dept.	Various - Revenue Loss	750,000	1 million

Note: Various=Various

**Municipal Impact:** None

**Explanation**

The bill results in a revenue loss of \$750,000 in FY 27 and \$1 million annually thereafter to the state by exempting the sales of tangible personal property or services to certain federally tax-exempt veterans' organizations. It is estimated that there are approximately 250 veterans' organizations in the state that would qualify for this exemption.

By fund, the annualized revenue loss is anticipated to be \$840,000 to the General Fund and \$80,000 each to the Special Transportation Fund and the Municipal Revenue Sharing Fund.<sup>1</sup>

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

<sup>1</sup> By statute, 0.5 percentage points of the 6.35% rate (or 7.87% of collections) is deposited into the Special Transportation Fund and Municipal Revenue Sharing Fund each. The remaining 5.35 percentage points (or 84.25% of collections) is deposited into the General Fund.

**OLR Bill Analysis**

**HB 5292**

***AN ACT EXEMPTING CERTAIN SALES TO MILITARY AND VETERANS-RELATED ORGANIZATIONS FROM THE SALES AND USE TAXES.***

**SUMMARY**

This bill exempts sales of tangible personal property or services to federally tax-exempt veterans' organizations (i.e. 501(c)(19)) from the state sales and use tax, under specified conditions. State law already exempts nonprofit organizations (i.e. 501(c)(3)) and nonprofit cemetery companies (i.e. 501(c)(13)) and crematoria from this tax.

As under existing law for these other nonprofits, in order for the sale to be exempt, the organization must give the retailer (1) a copy of the U.S. Treasury Department determination letter issued to the organization and (2) a certificate, as the revenue services commissioner requires, certifying that the (a) determination letter was issued to the organization and has not been revoked and (b) tangible personal property or services being purchased will only be used or consumed for the organization's established purposes.

EFFECTIVE DATE: October 1, 2026, and applicable to sales occurring on or after that date.

**COMMITTEE ACTION**

Veterans' and Military Affairs Committee

Joint Favorable

Yea 22 Nay 0 (03/10/2026)