



General Assembly

**Amendment**

February Session, 2026

LCO No. 2243



Offered by:

SEN. HARDING, 30<sup>th</sup> Dist.  
SEN. MARTIN, 31<sup>st</sup> Dist.  
SEN. SAMPSON, 16<sup>th</sup> Dist.  
SEN. CICARELLA, 34<sup>th</sup> Dist.  
SEN. SOMERS, 18<sup>th</sup> Dist.  
SEN. HWANG, 28<sup>th</sup> Dist.

SEN. BERTHEL, 32<sup>nd</sup> Dist.  
SEN. FAZIO, 36<sup>th</sup> Dist.  
SEN. GORDON, 35<sup>th</sup> Dist.  
SEN. KISSEL, 7<sup>th</sup> Dist.  
SEN. PERILLO J., 21<sup>st</sup> Dist.

To: Senate Bill No. 298

File No.

Cal. No.

**"AN ACT CONCERNING THE REALLOCATION OF CERTAIN STATE FUNDS AND VARIOUS PROVISIONS RELATING TO EDUCATION, PUBLIC SAFETY, GENERAL GOVERNMENT, ELECTIONS, INTERMEDIATE CARE FACILITIES AND WAREHOUSE DISTRIBUTION CENTERS."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Subdivision (1) of section 12-408 of the general statutes is  
4 repealed and the following is substituted in lieu thereof (*Effective October*  
5 *1, 2026, and applicable to sales occurring on or after October 1, 2026*):

6 (1) (A) For the privilege of making any sales, as defined in  
7 subdivision (2) of subsection (a) of section 12-407, at retail, in this state  
8 for a consideration, a tax is hereby imposed on all retailers at the rate of

9 six and thirty-five-hundredths per cent of the gross receipts of any  
10 retailer from the sale of all tangible personal property sold at retail or  
11 from the rendering of any services constituting a sale in accordance with  
12 subdivision (2) of subsection (a) of section 12-407, except, in lieu of said  
13 rate, the rates provided in subparagraphs (B) to (I), inclusive, of this  
14 subdivision;

15 (B) (i) At a rate of fifteen per cent with respect to each transfer of  
16 occupancy, from the total amount of rent received by a hotel or lodging  
17 house for the first period not exceeding thirty consecutive calendar  
18 days;

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

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

34 (D) (i) With respect to the sales of computer and data processing  
35 services occurring on or after July 1, 2001, at the rate of one per cent, and  
36 (ii) with respect to sales of Internet access services, on and after July 1,  
37 2001, such services shall be exempt from such tax;

38 (E) (i) With respect to the sales of labor that is otherwise taxable under  
39 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section

40 12-407 on existing vessels and repair or maintenance services on vessels  
41 occurring on and after July 1, 1999, such services shall be exempt from  
42 such tax;

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

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

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

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

59 (H) With respect to the sale of (i) a motor vehicle for a sales price  
60 exceeding fifty thousand dollars, at a rate of seven and three-fourths per  
61 cent on the entire sales price, (ii) jewelry, whether real or imitation, for  
62 a sales price exceeding five thousand dollars, at a rate of seven and  
63 three-fourths per cent on the entire sales price, and (iii) an article of  
64 clothing or footwear intended to be worn on or about the human body,  
65 a handbag, luggage, umbrella, wallet or watch for a sales price  
66 exceeding one thousand dollars, at a rate of seven and three-fourths per  
67 cent on the entire sales price. For purposes of this subparagraph, "motor  
68 vehicle" has the meaning provided in section 14-1, but does not include  
69 a motor vehicle subject to the provisions of subparagraph (C) of this  
70 subdivision, a motor vehicle having a gross vehicle weight rating over

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

77 (I) With respect to the sale of meals, as defined in subdivision (13) of  
78 section 12-412, sold by an eating establishment [,] or caterer; [or grocery  
79 store;] and spirituous, malt or vinous liquors, soft drinks, sodas or  
80 beverages such as are ordinarily dispensed at bars and soda fountains,  
81 or in connection therewith; in addition to the tax imposed under  
82 subparagraph (A) of this subdivision, at the rate of one per cent. The  
83 provisions of this subparagraph shall not apply to meals or soft drinks,  
84 sodas or beverages such as are ordinarily dispensed at bars and soda  
85 fountains, or in connection therewith, sold by a grocery store;

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

103 (K) (i) For calendar quarters ending on or after September 30, 2019,

104 the commissioner shall deposit into the regional planning incentive  
105 account, established pursuant to section 4-66k, six and seven-tenths per  
106 cent of the amounts received by the state from the tax imposed under  
107 subparagraph (B) of this subdivision and ten and seven-tenths per cent  
108 of the amounts received by the state from the tax imposed under  
109 subparagraph (G) of this subdivision;

110 (ii) For calendar quarters ending on or after September 30, 2018, the  
111 commissioner shall deposit into the Tourism Fund established under  
112 section 10-395b ten per cent of the amounts received by the state from  
113 the tax imposed under subparagraph (B) of this subdivision;

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

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

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

131 (ii) For calendar months commencing on or after July 1, 2018, but  
132 prior to July 1, 2019, the commissioner shall deposit into the Special  
133 Transportation Fund established under section 13b-68 eight per cent of  
134 the amounts received by the state from the tax imposed under

135 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
136 vehicle;

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

143 (iv) For calendar months commencing on or after July 1, 2020, but  
144 prior to July 1, 2021, the commissioner shall deposit into the Special  
145 Transportation Fund established under section 13b-68 twenty-five per  
146 cent of the amounts received by the state from the tax imposed under  
147 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
148 vehicle;

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

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

160 Sec. 502. Subdivision (1) of section 12-411 of the general statutes is  
161 repealed and the following is substituted in lieu thereof (*Effective October*  
162 *1, 2026, and applicable to sales occurring on or after October 1, 2026*):

163 (1) (A) An excise tax is hereby imposed on the storage, acceptance,  
164 consumption or any other use in this state of tangible personal property  
165 purchased from any retailer for storage, acceptance, consumption or any

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

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

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

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

195 (D) (i) With respect to the acceptance or receipt in this state of labor  
196 that is otherwise taxable under subparagraph (C) or (G) of subdivision  
197 (2) of subsection (a) of section 12-407 on existing vessels and repair or

198 maintenance services on vessels occurring on and after July 1, 1999, such  
199 services shall be exempt from such tax;

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

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

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

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

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

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

227 (H) With respect to the acceptance or receipt in this state of (i) a motor



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

246 (I) With respect to the acceptance or receipt in this state of meals, as  
247 defined in subdivision (13) of section 12-412, sold by an eating  
248 establishment [ ] or caterer; [or grocery store;] and spirituous, malt or  
249 vinous liquors, soft drinks, sodas or beverages such as are ordinarily  
250 dispensed at bars and soda fountains, or in connection therewith; in  
251 addition to the tax imposed under subparagraph (A) of this subdivision,  
252 at the rate of one per cent. The provisions of this subparagraph shall not  
253 apply to meals or soft drinks, sodas or beverages such as are ordinarily  
254 dispensed at bars and soda fountains, or in connection therewith, sold  
255 by a grocery store;

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

261 of the amounts received by the state from the tax imposed under  
262 subparagraph (G) of this subdivision;

263 (ii) For calendar quarters ending on or after September 30, 2018, the  
264 commissioner shall deposit into the Tourism Fund established under  
265 section 10-395b ten per cent of the amounts received by the state from  
266 the tax imposed under subparagraph (B) 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:		
Sec. 501	<i>October 1, 2026, and applicable to sales occurring on or after October 1, 2026</i>	12-408(1)
Sec. 502	<i>October 1, 2026, and applicable to sales occurring on or after October 1, 2026</i>	12-411(1)