



General Assembly

Amendment

February Session, 2026

LCO No. 2295



Offered by:

SEN. HARDING, 30th Dist.
SEN. MARTIN, 31st Dist.
SEN. SAMPSON, 16th Dist.
SEN. CICARELLA, 34th Dist.
SEN. HWANG, 28th Dist.

SEN. BERTHEL, 32nd Dist.
SEN. FAZIO, 36th Dist.
SEN. GORDON, 35th Dist.
SEN. KISSEL, 7th Dist.
SEN. PERILLO J., 21st 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4 repealed and the following is substituted in lieu thereof (*Effective October*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)