

Appendix

notes

Facts for Example 1:

- This is a taxable renovation to commercial property.
- Tax is paid by the subcontractors on materials at the time of purchase. (All materials for this job are purchased by the subcontractors.)
- Subcontractors accept resale certificates for the service portion of the bill from the general contractor.
- The general contractor charges the property owner 6% tax on the service portion of the contract.

Subcontractor:

The carpenter bills the general **\$70,000.00**

Materials purchased	\$47,169.81
Tax paid by sub	<u>\$ 2,830.19</u>
Total materials cost	\$50,000.00
Sub's charge for service	<u>\$20,000.00</u>
Total	\$70,000.00

Subcontractor:

The plumber bills the general **\$10,000.00**

Materials purchased	\$ 4,716.98
Tax paid by sub	<u>\$ 283.02</u>
Total materials cost	\$ 5,000.00
Sub's charge for service	<u>\$ 5,000.00</u>
Total	\$10,000.00

Subcontractor:

The electrician bills the general **\$10,000.00**

Materials purchased	\$ 4,716.98
Tax paid by sub	<u>\$ 283.02</u>
Total materials cost	\$ 5,000.00
Sub's charge for service	<u>\$ 5,000.00</u>
Total	\$10,000.00

Example 1

General contractor bills owner by separately stating the charges for taxable service and the tax on the service. Resale certificates issued by general contractor to subcontractors for taxable services.

Breakdown of General Contractor's Books:

MATERIALS:		
Plumber	\$ 5,000.00*	* Includes tax paid by the subcontractors to their vendors
Carpenter	\$50,000.00*	
Electrician	<u>\$ 5,000.00*</u>	
Total	\$60,000.00	
SERVICE**:		** Note: See Service Charges on Page 10.
Plumber	\$ 5,000.00	
Carpenter	\$20,000.00	
Electrician	\$ 5,000.00	
General Contractor	<u>\$10,000.00</u>	
Total Service	\$40,000.00	
Sales Tax on Service	<u>\$ 2,400.00</u>	
Grand Total	\$102,400.00	

General Contractor Bills Property Owner \$100,000.00 plus sales tax

\$ 60,000.00	Materials (tax paid by subcontractors)
\$ 40,000.00	Service (includes general contractor's charge)
\$ 2,400.00	Tax on service
<u>\$102,400.00</u>	Total billed to property owner

Issues resale certificate for service portion of bill

Issues resale certificate for service portion of bill

Issues resale certificate for service portion of bill

Form OS-114

Sales and Use Tax Return

For Period Ending
Connecticut Tax Registration Number
Federal Employer Identification Number
Due Date
For Department Use Only

General Instructions

1. You **must file** a return even if no tax is due or no sales were made.
2. Return must be postmarked on or before the due date.
3. **Deductions:** Fill out reverse side of this form if you claim deductions.
4. **Interest:** For late payment - 1% of tax due per month from due date.
5. **Penalty:** For failure to pay tax when due - 15% of tax due or \$50, whichever is greater.
6. **New owners:** Do not use previous owner's form to file your return. Any change in ownership requires a new permit.
7. You **must round off** cents to the nearest whole dollar on your returns and schedules.
8. Make check payable to: **Commissioner of Revenue Services.** (Include the Tax Registration Number on your check.)
 For complete instructions, see **Form O-88.**

Example 1

(General Contractor's Return)

Check here if this is an **amended** return.

Rounding: You must round off cents to the nearest whole dollars on your return. If you do not round, DRS will round for you.

1	Gross receipts from sales of goods	▶ 1		
2	Gross receipts from leases and rentals	▶ 2		
3	Gross receipts from labor and services	▶ 3	100,000	00
4	Purchases of goods by your business subject to use tax	▶ 4		
5	Leases and rentals by your business subject to use tax	▶ 5		
6	Purchase of services by your business subject to use tax	▶ 6		
7	Total: <i>Add Lines 1 through 6</i>	▶ 7	100,000	00
8	Total deductions: <i>Complete reverse side and enter the amount from Total Deductions here.</i>	▶ 8	60,000	00
9	Balance subject to tax: <i>Subtract Line 8 from Line 7, but not less than zero.</i>	▶ 9	40,000	00
10	Gross amount of tax due: <i>Multiply Line 9 by 6% (.06)</i>	▶ 10	2,400	00
11	For an amended return only, enter the tax paid on prior return	▶ 11		
12	Net amount of tax due: <i>Subtract Line 11 from Line 10</i>	▶ 12	2,400	00
13	For late payment of tax: <i>See General Instructions above</i> Interest ▶ _____ + Penalty ▶ _____ =	▶ 13		
14	Total amount due: <i>Add Line 12 and Line 13.</i>	▶ 14	2,400	00

Check any boxes that apply and provide the information requested:

- If you are permanently out of business, enter last business date: _____
- New mailing address or trade name:
 Enter new mailing address: _____

 Enter new trade name: _____

- If this is your first return, enter business start date: _____
- New physical location:
 Enter new physical location: _____
 (PO box is not acceptable.) _____
- New ownership:
 Enter name of new owner: _____
 Address of new owner: _____
 Date sold: _____

Declaration: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Taxpayer's Signature	Title	Date
Paid Preparer's Signature	Paid Preparer's Address	Date

Did you know that you can file this form by Internet or Telephone?

Deductible Items at 6% Tax Rate

15	Sales for resale - sales of goods	▶	15		
16	Sales for resale - leases and rentals	▶	16		
17	Sales for resale - labor and services	▶	17		
18	All newspapers and subscription sales of magazines and puzzle magazines	▶	18		
19	Trucks with gross vehicle weight rating over 26,000 lbs. or used exclusively for carriage of interstate freight	▶	19		
21	Food for human consumption, food sold in vending machines, and any items purchased with food stamps	▶	21		
23	Fuel for motor vehicles	▶	23		
24	Sales of electricity, gas, and heating fuel for residential dwellings		24		
25	Sales of electricity - \$150 monthly charge per business		25		
26	Sales of electricity, gas, and heating fuel for manufacturing or agricultural production		26		
27	Aviation fuel	▶	27		
29	Tangible personal property to persons issued a Farmer Tax Exemption Permit	▶	29		
30	Machinery, its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing	▶	30		
31	Machinery, materials, tools, and equipment used in commercial printing process or publishing	▶	31		
32	Vessels, machinery, materials, tools, and fuel for commercial fishing	▶	32		
33	Out-of-state - sales of goods	▶	33		
34	Out-of-state - leases and rentals	▶	34		
35	Out-of-state - labor and services	▶	35		
36	Motor vehicles or vessels purchased by nonresidents	▶	36		
37	Prescription medicines - sales of goods	▶	37		
38	Nonprescription medicines and diabetic equipment - sales of goods	▶	38		
39	Charitable or religious organizations - sales of goods	▶	39		
40	Charitable or religious organizations - leases and rentals	▶	40		
41	Charitable or religious organizations - labor and services	▶	41		
42	Federal, Connecticut, or municipal agencies - sales of goods	▶	42		
43	Federal, Connecticut, or municipal agencies - leases and rentals	▶	43		
44	Federal, Connecticut, or municipal agencies - labor and services	▶	44		
45	Items certified for air or water pollution abatement - sales, leases, and rentals of goods	▶	45		
47	Nontaxable labor and services	▶	47		
48	Services between wholly owned business entities (See instructions, Form O-88)	▶	48		
50	Trade-ins of all like-kind tangible personal property (See instructions, Form O-88)	▶	50		
52	Taxed goods returned within 90 days at 6% (.06) rate	▶	52		
56	Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods	▶	56		
58	Printed material for future delivery out of state	▶	58		
59	Articles of clothing or footwear under \$50	▶	59		
60	Material and components for noncommercial production of clothing	▶	60		
63	Funeral expenses (See instructions, Form O-88)	▶	63		
69	Repair services, repair and replacement parts for aircraft, and certain aircraft (See instructions, Form O-88)	▶	69		
71	Certain machinery under the Manufacturing Recovery Act of 1992 (See instructions, Form O-88)	▶	71		
72	Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry	▶	72		
73	Repair and maintenance services and fabrication labor to vessels (See instructions, Form O-88)	▶	73		
74	Computer and data processing services (See instructions, Form O-88)	▶	74		
75	Renovation and repair services to residential real property (See instructions, Form O-88)	▶	75		
77	Sales of qualifying items to direct payment permit holders	▶	77		
78	Sales of college textbooks	▶	78		
79	Clothing or footwear under \$300 nontaxable for one week per year beginning 3rd Sunday in August	▶	79		
A	Other Adjustments - sales of goods (Describe: <i>Materials consumed, including tax paid</i>)	▶	A	60,000	00
B	Other Adjustments - leases and rentals (Describe:)	▶	B		
C	Other Adjustments - labor and services (Describe:)	▶	C		
Total Deductions (Enter here and on Line 8 on the front of this return)				60,000	00

notes

Facts for Example 2:

- This is a taxable renovation to commercial property.
- Tax is paid by the subcontractors on materials at the time of purchase. (All materials for this job are purchased by the subcontractors.)
- No resale certificates are issued to or accepted by the subcontractors.
- The general contractor will charge 6% tax on only his charge for service because he already paid tax on the subcontractors' services.

Subcontractor: The plumber bills the general \$10,000.00 Plus Tax

Breakdown of subcontractor's books:

Materials purchased	\$ 4,716.98
Tax paid by sub	\$ 283.02
Total materials cost	\$ 5,000.00
Sub's charge for service	\$ 5,000.00
6% tax on service	\$ 300.00
Total	\$10,300.00

Subcontractor collects tax from general contractor on the service portion of the bill

Breakdown of General Contractor's Books:

CONTRACT PRICE: **\$100,000.00**

SUBCONTRACTS:

Plumber	\$ 10,300.00
Carpenter	\$ 71,200.00
Electrician	\$ 10,300.00
Total sub cost	\$ 91,800.00

General Contractor's

Service*:

Sales Tax : \$ 10,000.00

Grand Total: \$ 600.00
\$102,400.00

* Note: See Service Charges on Page 10.

Example 2

General contractor bills owner by separately stating the charges for taxable service and the tax thereon. No resale certificates issued by general contractor to subcontractors for taxable services.

Subcontractor: The carpenter bills the general \$70,000.00 plus sales tax

Breakdown of subcontractor's books:

Materials purchased	\$47,169.81
Tax paid by sub	\$ 2,830.19
Total materials cost	\$50,000.00
Sub's charge for service	\$20,000.00
6% tax on service	\$ 1,200.00
Total	\$71,200.00

Subcontractor collects tax from general contractor on the service portion of the bill

Subcontractor: The electrician bills the general \$10,000.00 Plus Tax

Breakdown of subcontractor's books:

Materials purchased	\$ 4,716.98
Tax paid by sub	\$ 283.02
Total materials cost	\$ 5,000.00
Sub's charge for service	\$ 5,000.00
6% tax on service	\$ 300.00
Total	\$10,300.00

Subcontractor collects tax from general contractor on the service portion of the bill

General Contractor Bills Property Owner \$100,000.00 plus tax

\$ 60,000.00	Subcontractors' materials (tax paid)
\$ 31,800.00	Subcontractors' services (tax paid)
\$ 10,000.00	General contractor's service
<u>\$600.00</u>	Tax on general contractor's service
\$102,400.00	Total bill to property owner

Reported on Line 3 of Form OS-114

Total sub cost	91,800.00
General contractor's services (without tax)	<u>10,000.00</u>
Total Line 3	101,800.00

Form OS-114 Sales and Use Tax Return

For Period Ending
Connecticut Tax Registration Number
Federal Employer Identification Number
Due Date
For Department Use Only

General Instructions

1. You **must file** a return even if no tax is due or no sales were made.
2. Return must be postmarked on or before the due date.
3. **Deductions:** Fill out reverse side of this form if you claim deductions.
4. **Interest:** For late payment - 1% of tax due per month from due date.
5. **Penalty:** For failure to pay tax when due - 15% of tax due or \$50, whichever is greater.
6. **New owners:** Do not use previous owner's form to file your return. Any change in ownership requires a new permit.
7. You **must round off** cents to the nearest whole dollar on your returns and schedules.
8. Make check payable to: **Commissioner of Revenue Services.** (Include the Tax Registration Number on your check.)
 For complete instructions, see **Form O-88.**

Example 2

(General Contractor's Return)

Check here if this is an **amended** return.

Rounding: You must round off cents to the nearest whole dollars on your return. If you do not round, DRS will round for you.

1	Gross receipts from sales of goods	▶	1		
2	Gross receipts from leases and rentals	▶	2		
3	Gross receipts from labor and services	▶	3	101,800	00
4	Purchases of goods by your business subject to use tax	▶	4		
5	Leases and rentals by your business subject to use tax	▶	5		
6	Purchase of services by your business subject to use tax	▶	6		
7	Total: <i>Add Lines 1 through 6</i>	▶	7	101,800	00
8	Total deductions: <i>Complete reverse side and enter the amount from Total Deductions here.</i>	▶	8	91,800	00
9	Balance subject to tax: <i>Subtract Line 8 from Line 7, but not less than zero.</i>	▶	9	10,000	00
10	Gross amount of tax due: <i>Multiply Line 9 by 6% (.06)</i>	▶	10	600	00
11	For an amended return only, enter the tax paid on prior return	▶	11		
12	Net amount of tax due: <i>Subtract Line 11 from Line 10</i>	▶	12	600	00
13	For late payment of tax: <i>See General Instructions above</i>				
13	Interest ▶ _____ + Penalty ▶ _____ =		13		
14	Total amount due: <i>Add Line 12 and Line 13.</i>	▶	14	600	00

Check any boxes that apply and provide the information requested:

- | | |
|---|---|
| <p><input type="checkbox"/> If you are permanently out of business, enter last business date: _____</p> <p><input type="checkbox"/> New mailing address or trade name:</p> <p style="margin-left: 20px;">Enter new mailing address: _____</p> <p style="margin-left: 20px;">_____</p> <p style="margin-left: 20px;">Enter new trade name: _____</p> | <p><input type="checkbox"/> If this is your first return, enter business start date: _____</p> <p><input type="checkbox"/> New physical location:
Enter new physical location: _____
(PO box is not acceptable.) _____</p> <p><input type="checkbox"/> New ownership:
Enter name of new owner: _____
Address of new owner: _____
Date sold: _____</p> |
|---|---|

Declaration: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Taxpayer's Signature	Title	Date
Paid Preparer's Signature	Paid Preparer's Address	Date

Did you know that you can file this form by Internet or Telephone?

Deductible Items at 6% Tax Rate

15	Sales for resale - sales of goods	▶	15		
16	Sales for resale - leases and rentals	▶	16		
17	Sales for resale - labor and services	▶	17		
18	All newspapers and subscription sales of magazines and puzzle magazines	▶	18		
19	Trucks with gross vehicle weight rating over 26,000 lbs. or used exclusively for carriage of interstate freight	▶	19		
21	Food for human consumption, food sold in vending machines, and any items purchased with food stamps	▶	21		
23	Fuel for motor vehicles	▶	23		
24	Sales of electricity, gas, and heating fuel for residential dwellings		▶	24	
25	Sales of electricity - \$150 monthly charge per business		▶	25	
26	Sales of electricity, gas, and heating fuel for manufacturing or agricultural production		▶	26	
27	Aviation fuel	▶	27		
29	Tangible personal property to persons issued a Farmer Tax Exemption Permit	▶	29		
30	Machinery, its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing	▶	30		
31	Machinery, materials, tools, and equipment used in commercial printing process or publishing	▶	31		
32	Vessels, machinery, materials, tools, and fuel for commercial fishing	▶	32		
33	Out-of-state - sales of goods	▶	33		
34	Out-of-state - leases and rentals	▶	34		
35	Out-of-state - labor and services	▶	35		
36	Motor vehicles or vessels purchased by nonresidents	▶	36		
37	Prescription medicines - sales of goods	▶	37		
38	Nonprescription medicines and diabetic equipment - sales of goods	▶	38		
39	Charitable or religious organizations - sales of goods	▶	39		
40	Charitable or religious organizations - leases and rentals	▶	40		
41	Charitable or religious organizations - labor and services	▶	41		
42	Federal, Connecticut, or municipal agencies - sales of goods	▶	42		
43	Federal, Connecticut, or municipal agencies - leases and rentals	▶	43		
44	Federal, Connecticut, or municipal agencies - labor and services	▶	44		
45	Items certified for air or water pollution abatement - sales, leases, and rentals of goods	▶	45		
47	Nontaxable labor and services	▶	47		
48	Services between wholly owned business entities (See instructions, Form O-88)	▶	48		
50	Trade-ins of all like-kind tangible personal property (See instructions, Form O-88)	▶	50		
52	Taxed goods returned within 90 days at 6% (.06) rate	▶	52		
56	Oxygen, blood plasma, prostheses, and other medical supplies - sales, leases, rentals, or repair services of goods	▶	56		
58	Printed material for future delivery out of state	▶	58		
59	Articles of clothing or footwear under \$50	▶	59		
60	Material and component for noncommercial production of clothing	▶	60		
63	Funeral expenses (See instructions, Form O-88)	▶	63		
69	Repair services, repair and replacement parts for aircraft, and certain aircraft (See instructions, Form O-88)	▶	69		
71	Certain machinery under the Manufacturing Recovery Act of 1992 (See instructions, Form O-88)	▶	71		
72	Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry	▶	72		
73	Repair and maintenance services and fabrication labor to vessels (See instructions, Form O-88)	▶	73		
74	Computer and data processing services (See instructions, Form O-88)	▶	74		
75	Renovation and repair services to residential real property (See instructions, Form O-88)	▶	75		
77	Sales of qualifying items to direct payment permit holders	▶	77		
78	Sales of college textbooks	▶	78		
79	Clothing or footwear under \$300 nontaxable for one week per year beginning 3rd Sunday in August	▶	79		
A	Other Adjustments - sales of goods (Describe: <i>Materials consumed, including tax paid</i>)	▶	A		60,000 00
B	Other Adjustments - leases and rentals (Describe:)	▶	B		
C	Other Adjustments - labor and services (Describe: <i>Subcontractor's service, including tax</i>)	▶	C		31,800 00
Total Deductions (Enter here and on Line 8 on the front of this return)					91,800 00

notes

Facts for Example 3:

- This is a taxable renovation to commercial property.
- Tax is paid by the subcontractors on materials at the time of purchase. (All materials for this job are purchased by the subcontractors.)
- Subcontractors accept resale certificates for the service portion of the bill from the general contractor.
- The general contractor bills the owner on a sales tax included basis for the service portion of the bill.
- The general contractor determines the gross receipts from taxable service by multiplying the total charges for taxable service by .943. The tax is determined by subtracting the gross receipts from the total charges for taxable service.

Example 3

General contractor bills the owner on a sales tax included basis. Resale certificates issued by general contractor to subcontractors for taxable services.

Subcontractor:

The carpenter bills the general \$70,000.00

Materials purchased \$47,169.81
 Tax paid by sub \$ 2,830.19
 Total materials cost \$50,000.00
 Sub's charge for service \$20,000.00
Total \$70,000.00

Subcontractor:

The plumber bills the general \$10,000.00

Materials purchased \$ 4,716.98
 Tax paid by sub \$ 283.02
 Total materials cost \$ 5,000.00
 Sub's charge for service \$ 5,000.00
Total \$10,000.00

Subcontractor:

The electrician bills the general \$10,000.00

Materials purchased \$ 4,716.98
 Tax paid by sub \$ 283.02
 Total materials cost \$ 5,000.00
 Sub's charge for service \$ 5,000.00
Total \$10,000.00

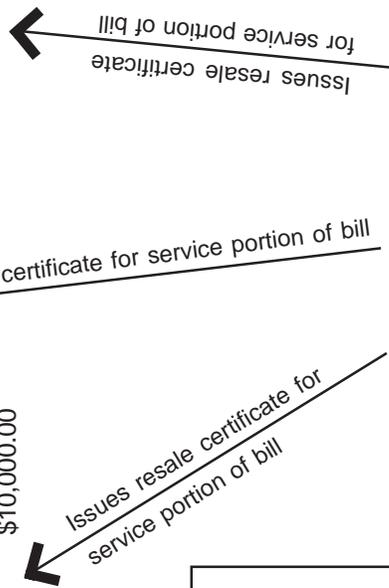
Breakdown of General Contractor's Books:

MATERIALS:
 Plumber \$ 5,000.00*
 Carpenter \$50,000.00*
 Electrician \$ 5,000.00*
 Total \$60,000.00*

* Includes sales tax paid by the subcontractors to their vendors

SERVICE:**
 Plumber \$ 5,000.00
 Carpenter \$20,000.00
 Electrician \$ 5,000.00
 General Contractor \$30,000.00
 Total Charges for Service \$60,000.00
 The Alternative Factor x .943
 Total Charge for Service \$56,580.00
 Sales Tax \$ 3,420.00
Grand Total: \$120,000.00

** Note: See Service Charges on Page 10.



General Contractor Bills Property Owner \$120,000.00 sales tax included

Reported on Line 3 of Form OS-114

Total materials 60,000.00
 Total charge for labor (without tax) 56,580.00
 Total Line 3 116,580.00

Form OS-114 Sales and Use Tax Return

For Period Ending
Connecticut Tax Registration Number
Federal Employer Identification Number
Due Date
For Department Use Only

General Instructions

1. You **must file** a return even if no tax is due or no sales were made.
2. Return must be postmarked on or before the due date.
3. **Deductions:** Fill out reverse side of this form if you claim deductions.
4. **Interest:** For late payment - 1% of tax due per month from due date.
5. **Penalty:** For failure to pay tax when due - 15% of tax due or \$50, whichever is greater.
6. **New owners:** Do not use previous owner's form to file your return. Any change in ownership requires a new permit.
7. You **must round off** cents to the nearest whole dollar on your returns and schedules.
8. Make check payable to: **Commissioner of Revenue Services.** (Include the Tax Registration Number on your check.)
 For complete instructions, see **Form O-88.**

Example 3

(General Contractor's Return)

Check here if this is an **amended** return.

Rounding: You must round off cents to the nearest whole dollars on your return. If you do not round, DRS will round for you.

1	Gross receipts from sales of goods	▶ 1		
2	Gross receipts from leases and rentals	▶ 2		
3	Gross receipts from labor and services	▶ 3	116,580	00
4	Purchases of goods by your business subject to use tax	▶ 4		
5	Leases and rentals by your business subject to use tax	▶ 5		
6	Purchase of services by your business subject to use tax	▶ 6		
7	Total: <i>Add Lines 1 through 6</i>	▶ 7	116,580	00
8	Total deductions: <i>Complete reverse side and enter the amount from Total Deductions here.</i>	▶ 8	60,000	00
9	Balance subject to tax: <i>Subtract Line 8 from Line 7, but not less than zero.</i>	▶ 9	56,580	00
10	Gross amount of tax due: <i>Multiply Line 9 by 6% (.06)</i>	▶ 10	3,420	00
11	For an amended return only, enter the tax paid on prior return	▶ 11		
12	Net amount of tax due: <i>Subtract Line 11 from Line 10</i>	▶ 12	3,420	00
13	For late payment of tax: <i>See General Instructions above</i> Interest ▶ _____ + Penalty ▶ _____ =	▶ 13		
14	Total amount due: <i>Add Line 12 and Line 13.</i>	▶ 14	3,420	00

Check any boxes that apply and provide the information requested:

- | | |
|--|--|
| <p><input type="checkbox"/> If you are permanently out of business, enter last business date: _____</p> <p><input type="checkbox"/> New mailing address or trade name:
 Enter new mailing address: _____

 Enter new trade name: _____</p> | <p><input type="checkbox"/> If this is your first return, enter business start date: _____</p> <p><input type="checkbox"/> New physical location:
 Enter new physical location: _____
 (PO box is not acceptable.) _____</p> <p><input type="checkbox"/> New ownership:
 Enter name of new owner: _____
 Address of new owner: _____
 Date sold: _____</p> |
|--|--|

Declaration: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Taxpayer's Signature	Title	Date
Paid Preparer's Signature	Paid Preparer's Address	Date

Did you know that you can file this form by Internet or Telephone?

Deductible Items at 6% Tax Rate

15	Sales for resale - sales of goods	▶	15		
16	Sales for resale - leases and rentals	▶	16		
17	Sales for resale - labor and services	▶	17		
18	All newspapers and subscription sales of magazines and puzzle magazines	▶	18		
19	Trucks with gross vehicle weight rating over 26,000 lbs. or used exclusively for carriage of interstate freight	▶	19		
21	Food for human consumption, food sold in vending machines, and any items purchased with food stamps	▶	21		
23	Fuel for motor vehicles	▶	23		
24	Sales of electricity, gas, and heating fuel for residential dwellings	For Utility and	▶	24	
25	Sales of electricity - \$150 monthly charge per business	Heating Fuel Companies	▶	25	
26	Sales of electricity, gas, and heating fuel for manufacturing or agricultural production	Only	▶	26	
27	Aviation fuel	▶	27		
29	Tangible personal property to persons issued a Farmer Tax Exemption Permit	▶	29		
30	Machinery, its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing	▶	30		
31	Machinery, materials, tools, and equipment used in commercial printing process or publishing	▶	31		
32	Vessels, machinery, materials, tools, and fuel for commercial fishing	▶	32		
33	Out-of-state - sales of goods	▶	33		
34	Out-of-state - leases and rentals	▶	34		
35	Out-of-state - labor and services	▶	35		
36	Motor vehicles or vessels purchased by nonresidents	▶	36		
37	Prescription medicines - sales of goods	▶	37		
38	Nonprescription medicines and diabetic equipment - sales of goods	▶	38		
39	Charitable or religious organizations - sales of goods	▶	39		
40	Charitable or religious organizations - leases and rentals	▶	40		
41	Charitable or religious organizations - labor and services	▶	41		
42	Federal, Connecticut, or municipal agencies - sales of goods	▶	42		
43	Federal, Connecticut, or municipal agencies - leases and rentals	▶	43		
44	Federal, Connecticut, or municipal agencies - labor and services	▶	44		
45	Items certified for air or water pollution abatement - sales, leases, and rentals of goods	▶	45		
47	Nontaxable labor and services	▶	47		
48	Services between wholly owned business entities (See instructions, Form O-88)	▶	48		
50	Trade-ins of all like-kind tangible personal property (See instructions, Form O-88)	▶	50		
52	Taxed goods returned within 90 days at 6% (.06) rate	▶	52		
56	Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods	▶	56		
58	Printed material for future delivery out of state	▶	58		
59	Articles of clothing or footwear, under \$50	▶	59		
60	Material and component for noncommercial production of clothing	▶	60		
63	Funeral expenses (See instructions, Form O-88)	▶	63		
69	Repair services, repair and replacement parts for aircraft, and certain aircraft (See instructions, Form O-88)	▶	69		
71	Certain machinery under the Manufacturing Recovery Act of 1992 (See instructions, Form O-88)	▶	71		
72	Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry	▶	72		
73	Repair and maintenance services and fabrication labor to vessels (See instructions, Form O-88)	▶	73		
74	Computer and data processing services (See instructions, Form O-88)	▶	74		
75	Renovation and repair services to residential real property (See instructions, Form O-88)	▶	75		
77	Sales of qualifying items to direct payment permit holders	▶	77		
78	Sales of college textbooks	▶	78		
79	Clothing or footwear under \$300 nontaxable for one week per year beginning 3rd Sunday in August	▶	79		
A	Other Adjustments - sales of goods (Describe: <i>Materials consumed, including tax paid</i>)	▶	A	60,000	00
B	Other Adjustments - leases and rentals (Describe:)	▶	B		
C	Other Adjustments - labor and services (Describe:)	▶	C		
Total Deductions (Enter here and on Line 8 on the front of this return)				60,000	00

notes

Facts for Example 4:

- This is a taxable renovation to commercial property.
- Tax is paid by the subcontractors on materials at the time of purchase. (All materials for this job are purchased by the subcontractors.)
- No resale certificates are issued to or accepted by the subcontractors.
- The general contractor determines the gross receipts from taxable service by multiplying the general contractor's charge for service (sales tax included) by .943. The tax is determined by subtracting the general contractor's gross receipts for taxable service from the general contractor's charge for service.

Subcontractor:

The plumber bills the general contractor \$10,000.00 sales tax included

Breakdown of subcontractor's books:

Materials purchased	\$4,716.98	
Tax paid by sub	\$ 283.02	
Total materials cost	\$5,000.00	
Sub's charge for service	\$5,000.00	tax included
The alternative factor	x .943	
Sub's charge for service	\$4,715.00	without tax
Tax on service	285.00	

Breakdown of General Contractor's Books:

SUBCONTRACTS:		
Plumber	\$10,000.00*	* Includes sales tax paid by the subcontractors to their vendors
Carpenter	\$70,000.00*	
Electrician	\$10,000.00*	
Total sub cost	\$90,000.00*	

General Contractor's Charge for Service:**

The alternative factor	x .943	
General Contractor's Charge for Service	\$ 28,290.00	without tax
Sales Tax	\$ 1,710.00	
Grand Total:	\$120,000.00	

** Note: See Service Charges on Page 10.

Subcontractor:

The carpenter bills the general contractor \$70,000.00 sales tax included

Breakdown of subcontractor's books:

Materials purchased	\$47,169.81
Tax paid by sub	\$ 2,830.19
Total materials cost	\$50,000.00
Sub's charge for service	\$20,000.00 tax included
The alternative factor	x .943
Sub's charge for service	\$18,860.00 without tax
Tax on service	\$ 1,140.00

Subcontractor collects tax from general contractor in sales tax included contract

Subcontractor collects tax from general contractor in sales tax included contract

Subcontractor:

The electrician bills the general contractor \$10,000.00 sales tax included

Breakdown of subcontractor's books:

Materials purchased	\$4,716.98
Tax paid by sub	\$ 283.02
Total materials cost	\$5,000.00
Sub's charge for service	\$5,000.00 tax included
The alternative factor	x .943
Sub's charge for service	\$4,715.00 without tax
Tax on service	\$ 285.00

Subcontractor collects tax from general contractor in sales tax included contract

General Contractor Bills Property Owner \$120,000.00 sales tax included

Reported on Line 3 of Form OS-114

Total sub cost	90,000.00
General contractor's charge for labor (without tax)	28,290.00
Total Line 3	118,290.00

Example 4

General contractor bills owner on a sales tax included basis. No resale certificates issued by general contractor to subcontractors for taxable services.

Form OS-114 Sales and Use Tax Return

For Period Ending
Connecticut Tax Registration Number
Federal Employer Identification Number
Due Date
For Department Use Only

General Instructions

1. You **must file** a return even if no tax is due or no sales were made.
2. Return must be postmarked on or before the due date.
3. **Deductions:** Fill out reverse side of this form if you claim deductions.
4. **Interest:** For late payment - 1% of tax due per month from due date.
5. **Penalty:** For failure to pay tax when due - 15% of tax due or \$50, whichever is greater.
6. **New owners:** Do not use previous owner's form to file your return. Any change in ownership requires a new permit.
7. You **must round off** cents to the nearest whole dollar on your returns and schedules.
8. Make check payable to: **Commissioner of Revenue Services.** (Include the Tax Registration Number on your check.)
 For complete instructions, see **Form O-88.**

Example 4

(General Contractor's Return)

Check here if this is an **amended** return.

Rounding: You must round off cents to the nearest whole dollars on your return. If you do not round, DRS will round for you.

1	Gross receipts from sales of goods	▶	1		
2	Gross receipts from leases and rentals	▶	2		
3	Gross receipts from labor and services	▶	3	118,290	00
4	Purchases of goods by your business subject to use tax	▶	4		
5	Leases and rentals by your business subject to use tax	▶	5		
6	Purchase of services by your business subject to use tax	▶	6		
7	Total: <i>Add Lines 1 through 6</i>	▶	7	118,290	00
8	Total deductions: <i>Complete reverse side and enter the amount from Total Deductions here.</i>	▶	8	90,000	00
9	Balance subject to tax: <i>Subtract Line 8 from Line 7, but not less than zero.</i>	▶	9	28,290	00
10	Gross amount of tax due: <i>Multiply Line 9 by 6% (.06)</i>	▶	10	1,710	00
11	For an amended return only, enter the tax paid on prior return	▶	11		
12	Net amount of tax due: <i>Subtract Line 11 from Line 10</i>	▶	12	1,710	00
13	For late payment of tax: <i>See General Instructions above</i> Interest ▶ _____ + Penalty ▶ _____ =		13		
14	Total amount due: <i>Add Line 12 and Line 13.</i>	▶	14	1,710	00

Check any boxes that apply and provide the information requested:

- | | |
|---|---|
| <input type="checkbox"/> If you are permanently out of business, enter last business date: _____
<input type="checkbox"/> New mailing address or trade name:
Enter new mailing address: _____

Enter new trade name: _____ | <input type="checkbox"/> If this is your first return, enter business start date: _____
<input type="checkbox"/> New physical location:
Enter new physical location: _____
(PO box is not acceptable.)
<input type="checkbox"/> New ownership:
Enter name of new owner: _____
Address of new owner: _____
Date sold: _____ |
|---|---|

Declaration: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Taxpayer's Signature	Title	Date
Paid Preparer's Signature	Paid Preparer's Address	Date

Did you know that you can file this form by Internet or Telephone?

Deductible Items at 6% Tax Rate

15	Sales for resale - sales of goods	▶	15		
16	Sales for resale - leases and rentals	▶	16		
17	Sales for resale - labor and services	▶	17		
18	All newspapers and subscription sales of magazines and puzzle magazines	▶	18		
19	Trucks with gross vehicle weight rating over 26,000 lbs. or used exclusively for carriage of interstate freight	▶	19		
21	Food for human consumption, food sold in vending machines, and any items purchased with food stamps	▶	21		
23	Fuel for motor vehicles	▶	23		
24	Sales of electricity, gas, and heating fuel for residential dwellings	▶	24		
25	Sales of electricity - \$150 monthly charge per business	▶	25		
26	Sales of electricity, gas, and heating fuel for manufacturing or agricultural production	▶	26		
27	Aviation fuel	▶	27		
29	Tangible personal property to persons issued a Farmer Tax Exemption Permit	▶	29		
30	Machinery, its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing	▶	30		
31	Machinery, materials, tools, and equipment used in commercial printing process or publishing	▶	31		
32	Vessels, machinery, materials, tools, and fuel for commercial fishing	▶	32		
33	Out-of-state - sales of goods	▶	33		
34	Out-of-state - leases and rentals	▶	34		
35	Out-of-state - labor and services	▶	35		
36	Motor vehicles or vessels purchased by nonresidents	▶	36		
37	Prescription medicines - sales of goods	▶	37		
38	Nonprescription medicines and diabetic equipment - sales of goods	▶	38		
39	Charitable or religious organizations - sales of goods	▶	39		
40	Charitable or religious organizations - leases and rentals	▶	40		
41	Charitable or religious organizations - labor and services	▶	41		
42	Federal, Connecticut, or municipal agencies - sales of goods	▶	42		
43	Federal, Connecticut, or municipal agencies - leases and rentals	▶	43		
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A	Other Adjustments - sales of goods (Describe: <i>Materials consumed, including tax paid</i>)	▶	A	60,000	00
B	Other Adjustments - leases and rentals (Describe:)	▶	B		
C	Other Adjustments - labor and services (Describe: <i>Subcontractor's service</i>)	▶	C	30,000	00
Total Deductions (Enter here and on Line 8 on the front of this return)				90,000	00