



STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

SN 2007(8)

25 Sigourney Street  
Hartford CT 06106-5032

SPECIAL NOTICE

**2007 Legislative Changes Affecting Sales and Use Taxes,  
Machinery Rental Surcharge, and Admissions Tax**

**Purpose:** This Special Notice summarizes legislation passed during the 2007 regular session affecting sales and use taxes, the machinery rental surcharge, and the admissions tax.

**Effective Date:** As noted below.

**Statutory Authority:** 2007 Conn. Pub. Acts 236, §§7-9; 2007 Conn. Pub. Acts 242, §20 as amended by 2007 Conn. Pub. Acts 4, §72 (June Spec. Sess.), §§68, 69, and 70 as amended by 2007 Conn. Pub. Acts 1, §129 (June Spec. Sess.); 2007 Conn. Pub. Acts 253 §§30-32; 2007 Conn. Pub. Acts 254, §4; 2007 Conn. Pub. Acts 4, §121 (June Spec. Sess.).

**Sales and Use Taxes**

**Effective June 1, 2007**

- Extends permanently the exemption for residential weatherization products;
- Reduces the qualifying efficiency threshold for oil furnaces and boilers from 85% to 84% efficient;
- Changes the terminology from ground-based heat pumps to ground-source heat pumps; **and**
- Adds compact fluorescent light bulbs to the exemption.

See **Special Notice 2007(3)**, *2007 Legislation Granting a Connecticut Sales and Use Tax Exemption for Sales of Compact Fluorescent Light Bulbs*, and **Special Notice 2007(4)**, *2007 Legislation Affecting the Sales Tax on Home Weatherization Products*.

**Effective June 4, 2007**

Exempts sales of household appliances that meet the federal Energy Star standard as long as the sales occur on or after June 4, 2007, and on or before September 30, 2007. See **Special Notice 2007(2.1)**, *2007 Legislation Granting a Connecticut Sales and*

*Use Tax Exemption for Sales of Energy Star Rated Household Appliances*, for a list of qualifying types of appliances.

**Effective July 1, 2007**

- Sales price and gross receipts in Conn. Gen. Stat. §12-407(a)(8) and (9) now exclude from personnel services taxable under Conn. Gen. Stat. §12-407(a)(37)(C) the amount charged for separately-stated compensation, fringe benefits, workers' compensation, and payroll taxes or assessments paid to a media payroll services company. A **media payroll services company** is defined as a retailer whose principal business activity is the management and payment of compensation, fringe benefits, workers' compensation, payroll taxes, or assessments to individuals providing services to an eligible production company under section 12-217jj, as amended by 2007 Conn. Pub. Acts 236, §1 and 2007 Conn. Pub. Acts 4, §§69, 70 (June Spec. Sess.).
- An exemption was added for sales of solar energy electricity generating systems, passive or active solar water or space heating systems, and geothermal resource systems, including equipment related to the systems, and sales of services related to the installation of the systems. See **Special Notice 2007(7)**, *2007 Legislation Granting a Sales and Use Tax Exemption for Sales of Solar Heating Systems, Solar Electricity Generating Systems, and Ice Storage Cooling Systems*.
- An exemption was added for sales of ice storage systems used for cooling by a utility ratepayer who is billed by the utility on a time-of-service metering basis. The exemption includes equipment related to the systems, and sales of services relating to the installation of the systems. See **Special Notice 2007(7)**, *2007 Legislation Granting a Sales and Use Tax Exemption for Sales of Solar Heating Systems, Solar Electricity Generating Systems, and Ice Storage Cooling Systems*.

- Amends Conn. Gen. Stat. § 12-412(27) to exempt meals sold through coin-operated vending machines or at unattended honor boxes.

### Effective October 1, 2007

- Expands taxable community antenna television (CATV) services to include certified competitive video service and services provided by a holder of a certificate of cable franchise authority.
- Revises definition of taxable *telecommunications services* to mean the electronic transmission, conveyance, or routing of voice, image, data, audio, video, or any other information or signals to a point or between or among points. Telecommunications service includes transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether the service is referred to as a voice over Internet protocol service or is classified by the Federal Communications Commission as enhanced or value added.

### Effective January 1, 2008

Exempts sales of passenger motor vehicles, as defined in Conn. Gen. Stat. § 14-1, with an EPA estimated city or highway gasoline mileage rating of at least 40 miles per gallon. The exemption applies to sales occurring on or after January 1, 2008, and on or before June 30, 2010.

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## Machinery Rental Surcharge

### Effective July 1, 2007

In connection with the surcharge on machinery rentals, specifies that the “period of less than 31 days” begins on the date of rental and terminates on the date the machinery is returned to the rental company. See **Policy Statement 2007(3)**, *Rental Surcharge – Daily Rental of Machinery*.

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## Admissions Tax

### Effective June 9 and June 10, 2007

Admissions charges at the Connecticut Convention Center on June 9, 2007, or June 10, 2007, were exempt from tax.

### Effective July 1, 2007

Admissions charges for events held at the Connecticut Convention Center are exempt from the Admissions Tax.

**Effect on Other Documents:** None affected.

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**Effect of This Document:** A Special Notice announces a new policy or practice in response to changes in state or federal laws or regulations or to judicial decisions. A Special Notice indicates an informal interpretation of Connecticut tax law by the Department of Revenue Services (DRS).

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**For Further Information:** Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

**TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

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**Forms and Publications:** Forms and publications are available anytime by:

- **Internet:** Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) to download and print Connecticut tax forms; **or**
  - **Telephone:** Call **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only) and select **Option 2** from a touch-tone phone, or call **860-297-4753** (from anywhere).
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**Paperless Filing/Payment Methods (fast, easy, free, and confidential):**

- **For business returns:** Use *Fast-File* to file sales and use taxes, business use tax, room occupancy tax, estimated corporation business tax, business entity tax, attorney occupational tax, nursing home provider fee, admissions and dues tax, or withholding tax returns over the Internet. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*.
- **For payment of business taxes other than those listed above:** Use *Fast-File* to pay your business taxes over the Internet or by phone. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *Electronic Services* for a list of eligible taxes. The ACH debit method is used to make the transfer. No preregistration is required.
- **For resident income tax returns:** Use *WebFile* to file personal income tax returns over the Internet. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*.

- **For electronic filing of income tax extensions, estimated payments, and for electronic bill payments:** Use *WebFile* to electronically file personal income tax returns over the Internet. You can also use *WebFile* to make an electronic income tax payment for a prior year. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*.

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