



STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

SN 2010(6)

25 Sigourney Street Ste 2  
Hartford CT 06106-5032

SPECIAL NOTICE

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## 2010 Legislative Changes Affecting Sales and Use Taxes and the Admissions Tax

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**Purpose:** This Special Notice summarizes legislative changes made during the 2010 regular session of the Connecticut General Assembly affecting sales and use taxes and the admissions tax.

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**Effective Date:** Effective as noted below.

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**Statutory Authority:** Conn. Gen. Stat. §12-412(117), as amended by 2010 Conn. Pub. Acts 75, §11; 2010 Conn. Pub. Acts 83, §1; Conn. Gen. Stat. §12-412(1); 2010 Conn. Pub. Acts 117, §§82, 83, and 85; Conn. Gen. Stat. §12-409, as amended by 2010 Conn. Pub. Acts 188, §6; Conn. Gen. Stat. §12-686, as amended by 2010 Conn. Pub. Acts 188, §11; Conn. Gen. Stat. §12-412(110); Conn. Gen. Stat. §12-541, as amended by 2010 Conn. Pub. Acts 146, §1.

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### Sales and Use Taxes

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**Exemption for Items Used Directly in the Renewable Energy and Clean Energy Technology Industries:** Sales of and the storage, use, or other consumption of machinery, equipment, tools, materials, supplies, and fuel used directly in the renewable energy and clean energy technology industries are exempt from sales and use taxes on or after July 1, 2010. *Renewable energy and clean technology industries* are those industries that apply technologies to produce, improve, or develop solar energy electricity-generating systems, passive or active solar water or space heating systems, geothermal resource systems, and wind power electric generation systems including equipment related to these systems.

Effective for sales occurring on or after July 1, 2010.

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**School Bus Safety Belts:** The Department of Motor Vehicles (DMV) will administer a program to

provide funding to offset a portion of the sales tax on the purchase of school buses equipped with three-point lap and shoulder seat belts installed during the manufacture of such school buses. A local or regional school district may apply to take part in the program from July 1, 2011, through December 31, 2017, by submitting an application on a form provided by DMV. The application must include a proposed agreement between the district and a private carrier under contract with the district for the provision of transportation of school children. The agreement will require the carrier to provide the district with at least one, but not more than 50 school buses, each of which will be equipped with such seat belts, and will include a request by the carrier for funds in an amount equal to 50% of the sales tax paid by the carrier for the purchase of any such bus purchased on or after July 1, 2011. Such agreement shall be contingent on approval of the application and the payment of such amount by DMV.

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**Health Information Technology Exchange of Connecticut:** Under 2010 Conn. Pub. Acts 117, the Health Information Technology Exchange of Connecticut (HITEC) is created as a public instrumentality and political subdivision of the State of Connecticut and is empowered to establish one or more subsidiaries (each of which will be deemed a quasi-public agency for purposes of Chapter 12 of the Connecticut General Statutes) that will have all the privileges, immunities, and tax exemptions that have been granted to HITEC. Since HITEC and its subsidiaries are public instrumentalities, sales of tangible personal property and services to HITEC or its subsidiaries are exempt from sales and use taxes under Conn. Gen. Stat. §12-412(1).

HITEC and any of its subsidiaries should furnish a properly completed **CERT-134, Sales and Use Tax Exemption for Purchases by Qualifying Governmental Agencies**, to retailers to make purchases exempt from sales and use taxes.

Effective June 8, 2010

**Seller's Permits:** 2010 Conn. Pub. Acts 188, §6 provides that only a person actively engaged in or conducting business as a seller may hold a seller's permit under Conn. Gen. Stat. §12-412(1). Any person not so engaged in business is required to surrender the seller's permit to the Department of Revenue Services (DRS) for cancellation.

DRS will mail a notice of hearing to any seller who files sales tax returns for four consecutive monthly or quarterly periods or for two successive annual periods showing no sales. At the hearing, the seller **must** show cause why the seller's permit should not be cancelled. DRS will not issue a new seller's permit after one has been cancelled unless DRS is satisfied that the former permit holder will make sales subject to sales tax.

Effective July 1, 2010.

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**Reduced Threshold for Payment by Electronic Funds Transfer:** The threshold for requiring taxes paid on a monthly or quarterly basis to be remitted to DRS by electronic funds transfer (EFT) has been reduced from \$10,000 to \$4,000. Therefore, a taxpayer must pay its sales and use tax liability by EFT, if the taxpayer's prior year sales and use tax liability was \$4,000 or more for the 12-month period ending the preceding June 30 **and** such taxpayer is notified by DRS that its sales and use tax liability must be paid by EFT.

Effective July 1, 2010.

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### Prior Year's Legislation

**Exemption for High Miles Per Gallon Passenger Motor Vehicles Ends June 30, 2010:** The exemption from sales and use taxes for purchases and leases of high miles per gallon (mpg) passenger motor vehicles ends on June 30, 2010. Therefore, effective July 1, 2010, purchases and leases of fuel-efficient motor vehicles on or after July 1, 2010 are subject to Connecticut sales and use taxes.

**Special Notice 2010(2), *Reminder That the Sales and Use Tax Exemption for Purchases or Leases of Fuel-Efficient Passenger Motor Vehicles Ends June 30, 2010***, provides transitional rules for applying this exemption.

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## Admissions Tax

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**Exemption for Interscholastic Events at Rentschler Field:** Admissions charges for interscholastic athletic events held at Rentschler Field are exempt from the admissions tax.

Effective for admissions charges imposed on or after July 1, 2010.

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**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 DRS.

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**For More 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:** Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) to download and print Connecticut tax forms and publications.

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**Paperless Filing/Payment Methods (fast, easy, free, and confidential):**

Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** at [www.ct.gov/TSC](http://www.ct.gov/TSC) to file a variety of tax returns, update account information, and make payments online.

**File Electronically:** You can choose to get first-time filer information and filing assistance, or can log directly into the **TSC** to file returns and pay taxes.

**Pay Electronically:** You can pay taxes for tax returns that cannot be filed through the **TSC**. Log in and select the *Make Payment Only* option. Designate a payment date up to the due date of the tax and mail a paper return to complete the filing process.

**DRS E-Alerts Service:** Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-Alerts** provide information for employer's

withholding tax, News – Press Releases, and Top 100 Delinquency List. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and select e-alerts from the left navigation bar.

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