

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-205		6845	1	1	1
<u>Committee Pages:</u> <ul style="list-style-type: none"> <i>Finance 448</i> 				<u>House Pages:</u> <ul style="list-style-type: none"> <i>1641(Consent)</i> 	<u>Senate Pages:</u> <ul style="list-style-type: none"> <i>1562</i>

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
PART 4
1451-1967**

Thursday, April 22, 1971

16.

roc

MR. MAHANEY: (2nd)

Mr. Speaker, pursuant to House Joint Rule 48, I'd like to move at this time for the acceptance of the Joint Committee's favorable reports and passage of the following bills that appear on the Consent Calendar. I direct the attention of the House to Page 1 -

Cal. 344, H.B. 8767, AN ACT CHANGING THE NAME OF THE GRAND CHAPTER OF THE STATE OF ~~CONNECTICUT~~, File 361.

Cal. 352, H.B. 8984, AN ACT VALIDATING PROCEEDINGS OF THE TOWN OF SOUTHLINGTON AUTHORIZING BOND ISSUE APPROVED AT REFERENDUM DECEMBER 29, 1970, File 366.

Cal. 423, H.B. 5989, AN ACT CONCERNING THE PROPERTY TAX EXEMPTION OF SERVICEMEN AND EX-SERVICEMEN HAVING DISABILITY RATINGS, File 349.

Cal. 426, H.B. 6868, AN ACT AMENDING THE CHARTER OF THE OLD QUARRY ASSOCIATION, File 360.

Cal. 428, H.B. 7036, AN ACT CONCERNING LEASING OF PROPERTY BY THE MARKETING AUTHORITY, File 352.

Cal. 432, Sub. for H.B. 6418, AN ACT CONCERNING SAFETY STANDARDS FOR SCHOOL BUSES, File 363.

Cal. 434, H.B. 7568, AN ACT TO INCREASE INTEREST ON JUDGMENTS RENDERED BY COURTS, File 356.

Cal. 436, H.B. 6845, AN ACT DEFINING "ENGAGED IN BUSINESS IN THE STATE" FOR PURPOSES OF THE EDUCATION, WELFARE AND PUBLIC HEALTH TAX ACT. File 354.

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**CONNECTICUT
GENERAL ASSEMBLY**

SENATE

**PROCEEDINGS
1971**

**VOL. 14
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1457-1920**

May 6, 1971

Page 23

Finance. House Bill 6845. An Act Defining Engaged in Business in the State for Purposes of the Education, Welfare and Public Health Tax Act.

SENATOR CUTILLO:

Mr. President, I move acceptance of the joint committee's favorable report and passage of the bill. This bill will make it clear that a person is "engaged in business in the State" if his activities fall within the terms of either or B, of sub-sections 15 section 12-407. Now, prior to this, the word and was used in place of or. thus making it appear that both conditions under a and b had to be met. I move its passage.

THE CHAIR:

Question is on passage. Will you remark further? If not, all those in favor signify by saying, "aye". Opposed, "nay". The bill is passed.

THE CLERK:

CAL. NO. 423. File No. 582. Favorable report of the joint committee on Judiciary. Substitute House Bill 5098. An Act Concerning Attachments Effective Without Removal of Property. Clerk has an amendment.

SENATOR JACKSON:

Mr. President, I move acceptance of the joint committee s favorable report and passage of the bill. Clerk has an amendment.

THE CLERK:

SENATE AMENDMENT A, offered by Senator Jackson:

In line 22, bracket the word "twenty-four and insert the word forty-eight.

SENATOR JACKSON:

The amendment is self-explanatory.

**JOINT
STANDING
COMMITTEE
HEARINGS**

FINANCE

**PART 2
330-726**

1971

all figures are annual. Bill 5050--Based upon estimated wholesale sales of motor vehicles alone and deducting the 10% Federal Manufacturer's Excise Tax, the revenue loss would exceed \$2 million annually. Bill 5222-- There is no way of computing the revenue loss here, but this is another chipping away at the base of the sales tax. Bill 5223 and 7552-- These two bills seek to exempt farm implements and equipment from the sales tax and either, if enacted, will cause a revenue loss of \$1.8 million annually. Bill 5311-- To raise the meals exemption from \$1.00 to \$1.50 would cause a revenue loss of \$3.5 million (we already lost \$7 million from the \$1.00 exemption). Bill 5312-- The 1969 budget claimed a \$7.5 million revenue gain if the children's clothing exemption were reduced from 16 years to 10 years. If this is to be put back to 16 years as this bill seeks to do, then the revenue loss would be \$7.5 million. Bill 5610-- Statewide we have \$36 million of assessed value of boats at about 60% of market value (and many escape taxation entirely). Assuming an average trade-in value of 1/3, we come up with an annual revenue loss of \$1 million--at a minimum. Bill 6016-- The last figure of any firmness I had of the revenue loss involved in the exemption from the sales tax of "research experimental and developmental" material was \$3.5 million at the old sales tax rate of 3.5%--at the 5% sales tax rate the loss today would very likely run to \$7.5 million annually based on expenditures for these purposes of \$1.50 million annually. Bill 5937-- According to the latest census of Manufacturers which was done in 1967--4 years ago, \$145.7 million was spent by manufacturers in Connecticut on new plant and equipment. 5% of that would mean an annual revenue loss of \$22.8 million. Bills 5991, 6342, 6344, 6345 are all Tax Department bills and I hereby absolve the legislators whose names appear on them from any responsibility for their content. Bill 5991 -- This bill was put in by the Tax Department in an attempt to stop unintended use of the exemption of fly-away aircraft. As the exemption now stands, a dealer in used aircraft can fly them into this state and dispose of them here free of the salestax. Bill 6342-- Is an attempt to forestall abuse of the "meals" exemption under the sales tax. We find that some establishments are selling packaged meals costing over \$1.00 allowing their consumption on the premises, and charging no sales tax under the assertion that these meals come under the overall food exemption. Bill 6344 --This bill seeks to avoid another abuse of a sales tax exemption. Large companies spend millions of dollars on such items, let us say, as a distinctive letterhead where they commission to an artist to design it. It is the cost of the design that is intended to be exempt here, but these companies are exempting the entire print of the designed letterhead or whatever it may be. Bill 6345-- This bill is needed to help us to administer the sales tax law properly. All we want to do, you will note, is change the word "and" to "or" (at the bottom of the first page of the bill). The reason is that the word "and" causes taxpayers to contend that both conditions, (a) and (b), must be met before we can claim they are doing business in Connecticut, and we claim, and rightly so, that either condition will suffice. Bills 6560, 6979, 7636, and 7638-- All exempt senior citizens from the sales tax at ages 62, 65, and 70. One is