



# OLR RESEARCH REPORT

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## 2011 SALES TAX INCREASES

By: Judith Lohman, Assistant Director

You asked for a table showing the sales tax increases enacted in the 2011 session.

In the 2011 session, the General Assembly increased the general sales tax rate, imposed a higher tax rate on certain “luxury” items, eliminated various sales tax exemptions, and extended the tax to several services not currently subject to the tax (PA 11-6, as amended by HB 6652).

Table 1 summarizes these sales tax changes. They take effect July 1, 2011 and apply to (1) sales occurring on or after that date and (2) services billed to customers for any period that includes that date.

**TABLE 1: 2011 SALES TAX CHANGES**

	<i>Current Tax</i>	<i>Tax as of July 1, 2011</i>
<b><i>Tax Rate Increases</i></b>		
Taxable items and services, generally	6.0%	6.35%
Short-term hotel and lodging stays (less than 30 days)	12.0%	15.0%
Short-term car rentals (less than 30 days)	6.0%	9.35%
Motor vehicles costing more than \$ 50,000 <sup>1</sup>	6.0%	7.0%
Boats costing more than \$ 100,000	6.0%	7.0%
Jewelry (real or imitation) costing more than \$ 5,000	6.0%	7.0%
Clothing costing more than \$ 1,000, including handbags, luggage, umbrellas, wallets, and watches	6.0%	7.0%
<b><i>Tax Exemptions Eliminated</i></b>		
Clothing and footwear costing less than \$ 50	0	6.35%
Non-prescription drugs and medicine	0	6.35%
Containment or removal of hazardous waste or other contaminants	0	6.35%
Valet parking at any airport	0	6.35%

Yoga instruction at a yoga studio	0	6.35%
Cloth or fabric for non-commercial sewing	0	6.35%
Yarn	0	6.35%
Smoking cessation products	0	6.35%
<b><i>New Services Taxed</i></b>		
Cosmetic medical procedures, excluding reconstructive surgery	0	6.35%
Manicure, pedicure, and other nail services	0	6.35%
Spa services, including body waxing and wraps, peels, scrubs, and facials	0	6.35%
Motor vehicle storage, including storage for motor homes, campers, and camp trailers (excludes self-storage units)	0	6.35%
Packing and crating, other than that provided by retailers in connection with the sale of tangible personal property	0	6.35%
Motor vehicle towing and road services, other than repairs	0	6.35%
Intrastate transportation via limousine, community car, or van with driver <sup>2</sup>	0	6.35%
Pet grooming, boarding, and obedience classes, other than grooming or boarding provided as an integral part of veterinarian services	0	6.35%

<sup>1</sup>Does not apply to vehicles (1) purchased by active duty military members stationed in Connecticut; (2) weighing more than 12,500 pounds; or (3) weighing 12,500 pounds or less, used for commercial purposes, and issued a commercial or more specific registration from the Department of Motor Vehicles.

<sup>2</sup>Does not apply to taxis, buses, ambulances, scheduled public transportation, funerals, Medicaid nonemergency medical transportation, paratransit services provided under an agreement with a state or political subdivision, and dial-a-ride services.

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