

April 25, 2011

Proposed Connecticut Budget Eliminates Sales and Use Tax Exemption for Voluntary Hazardous Waste Removal

On April 21, 2011, the Finance, Revenue and Bonding Committee of the Connecticut General Assembly reported out of committee a number of bills implementing Gov. Malloy's tax proposals. A summary prepared by the Office of Fiscal Analysis indicates that Senate Bill No. 1007 would repeal the current exemption from Connecticut Sales and Use Tax for the "containment or removal of hazardous waste or other contaminants," effective July 1, 2011. Section 20 of Senate Bill No. 1007 amends CGS Section 12-407(a)(37)(l)'s definition of services to industrial, commercial or income-producing real property within the scope of CGS Section 12-407(a)(2)(l) sales subject to sales and use taxes. This proposed amendment eliminates the existing exclusion for "any such services rendered for the voluntary evaluation, prevention, treatment, containment or removal of hazardous waste ...or other contaminants of air, water or soil... ."

This bill also increases the Sales and Use Tax from its current 6% rate to 6.35%, effective July 1, 2011.