



450 Columbus Blvd Ste 1
Hartford CT 06103-1837

SPECIAL NOTICE

Legislation Affecting Sales and Use Taxes as of January 1, 2020

Dry Cleaning Services and Laundry Services

Dry cleaning services and laundry services, excluding coin-operated services, will be included as taxable services. Gross receipts from dry cleaning services do not include the dry cleaning establishment surcharge imposed by Conn. Gen. Stat. § 12-263m, unless the establishment passes the surcharge along to its customers in which case it is included in the gross receipts for dry cleaning services that are subject to sales tax.

Effective January 1, 2020, and applicable to sales occurring on or after **January 1, 2020**.

For more information, see **Policy Statement 2019(4)**, *Sales and Use Tax on Dry Cleaning Services and Laundry Services, Dry Cleaning Establishment Surcharge, and Business Use Tax Obligations*.

2019 Conn. Pub. Acts 117, § 325, amending Conn. Gen. Stat. § 12-407(a)(37).

Interior Design Services

Interior design services, as described in industry 54141 of the North American Industry Classification System (NAICS) for 2017, will be included as taxable services as of **January 1, 2020**.

Effective January 1, 2020, and applicable to sales occurring on or after **January 1, 2020**.

For more information, see **Special Notice 2019(11)**, *Interior Design Services*.

2019 Conn. Pub. Acts 117, §§ 325, 326, amending Conn. Gen. Stat. §§ 12-407(a)(37) and 12-412.

Additional Motor Vehicle Parking Services

Taxable motor vehicle parking services will be expanded to include:

- Metered parking;
- Parking in lots with less than 30 parking spaces;
- Parking in a seasonal lot provided by an entity described in Conn. Gen. Stat. § 12-412(1), which includes the United States, the state of

Connecticut, and the political subdivisions and agencies of the United States or the state of Connecticut; **and**

- Parking in municipally owned lots.

Tax must be charged on sales of motor vehicle parking services in one of the following ways:

- Tax is included in the sales price, in which case the sales receipt must be marked *tax included*; **or**
- Tax is added to the sales price and separately stated on the sales receipt.

Sales tax is not due if a governmental entity validates its parking tickets or waives its fees for parking in its own lot.

Effective January 1, 2020, and applicable to sales occurring on or after **January 1, 2020**.

2019 Conn. Pub. Acts 117, § 325, amending Conn. Gen. Stat. § 12-407(a)(37)(N).

Transition Rules for Sales of Dry Cleaning Services, Laundry Services, Interior Design Services, and Motor Vehicle Parking Services Becoming Taxable as of January 1, 2020

Payments made on or before December 31, 2019, for services provided before and after January 1, 2020, are not subject to tax.

Payments made after December 31, 2019, for services provided on or after January 1, 2020, are fully subject to tax.

Payments made after December 31, 2019, for services provided before and after January 1, 2020, are subject to tax.

Payments made at any time, including payments for past due charges, for services provided during periods before January 1, 2020, are not subject to tax.

Exemption for Safety Apparel Is Repealed

Sales of safety apparel, defined as “any item of clothing or protective equipment worn by an employee for protection during the course of the

employee's employment," and further described in **Policy Statement 2004(4)**, *Sales and Use Tax Exemption for Safety Apparel*, will become subject to sales and use taxes for sales occurring on or after January 1, 2020.

Effective **January 1, 2020**.

2019 Conn. Pub. Acts 117, § 400, repealing Conn. Gen. Stat. § 12-412(91).

Due Dates for Referrer Notices and Reports Extended

The date on which referrers of online sales must start to provide quarterly notices to the sellers to whom a referrer transferred potential purchasers is delayed from July 1, 2019 to **January 1, 2020**.

The date on which referrers must start to file annual reports with DRS is delayed from January 1, 2020 to **January 1, 2021**.

For more information about referrers and referrer requirements, see **Special Notice 2018(5.1)**, *Legislative Changes Affecting Motor Vehicle Fuels Tax, Sales and Use Taxes, and Rental Surcharge*.

Effective from passage (July 8, 2019).

2019 Conn. Pub. Acts 186, § 33, amending Conn. Gen. Stat. § 12-408f.

Effective Dates: The effective dates for these legislative changes are provided above.

Effect on Other Documents:

Policy Statement 2002(4), *Sales and Use Tax Exemption for Safety Apparel*, is obsoleted on January 1, 2020, which is the effective date of the repeal of Conn. Gen. Stat. § 12-412(91).

Special Notice 2018(5.1), *Legislative Changes Affecting Motor Vehicle Fuels Tax, Sales and Use Taxes, and Rental Surcharge*, is modified with respect to referrer requirements.

DRS is in the process of identifying any additional documents affected by the legislative changes described herein, and will update those publications as soon as practicable.

SN 2019(10)
Sales and Use Taxes
Issued: 12/04/2019

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).

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

- **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. Taxpayers may also call 711 for relay services. A taxpayer must tell the 711 operator the number he or she wishes to call. The relay operator will dial it and then communicate using a TTY with the taxpayer.

Forms and Publications: Visit the DRS website at portal.ct.gov/DRS to download and print Connecticut tax forms and publications.

Paperless Filing/Payment Methods (fast, easy, free, and confidential): Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** at portal.ct.gov/TSC to file a variety of tax returns, update account information, and make payments online.

File Electronically: You can choose first-time filer information and filing assistance or 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. Choose a payment date up to the due date of the tax and mail a paper return to complete the filing process.