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BUILDING CONTRACTORS' GUIDE TO SALES AND USE TAXES

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

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COMMISSIONER

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STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES
GENE GAVIN, COMMISSIONER

A Message from the Commissioner:

We are pleased to provide this *Building Contractors' Guide to Sales and Use Taxes* for those in the building trades who perform services to real property. It was developed to help clarify the sales and use tax laws and to assist in determining when taxes apply to a majority of contractor services.

It is important to review the sections of the *Guide* that apply to your business. Recent changes to Connecticut's sales and use tax laws have reduced the tax rate on some services to real property and exempted others completely. If you have questions about the taxability of a service, please contact our Taxpayer Services Division for guidance. Phone numbers and locations of Department of Revenue Services (DRS) offices are listed inside the back cover of this booklet. Our Web site (www.state.ct.us/drs) is also a good resource for information and updates on sales and use taxes

We value your comments and suggestions on how DRS can serve you better. Please feel free to write, phone or e-mail us with your ideas.

Gene Gavin
Commissioner

Creating Partnerships with Connecticut Businesses

IP 99(19)

Building Contractors' Guide to Sales and Use Taxes

Published under the direction of:

Gene Gavin

Commissioner

Department of Revenue Services

State of Connecticut

PLEASE NOTE:

This document is not intended to be used as a legal ruling, but as a general guide for the proper treatment of sales and use taxes as they relate to the construction industry.

Not every potential tax situation is covered in this guide. If you have questions regarding the taxability of goods or services you provide, contact the DRS Taxpayer Services Division (see inside back cover).

TO ORDER IP 99(19), *BUILDING CONTRACTORS' GUIDE TO SALES AND USE TAXES*, SEND A 9" X 12" SELF-ADDRESSED ENVELOPE WITH \$1.87 POSTAGE AFFIXED TO:

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THE BASICS

INTRODUCTION

On July 1, 1975, Conn. Pub. Acts 567 imposed a sales tax for the first time on certain services performed in Connecticut. Contractor services to existing commercial, industrial and income-producing property were included in this new category of taxable services. Over the past 24 years, there have been many changes to the rules for taxing contractor services (also referred to as services to real property). This guide will present the most up-to-date information about sales and use taxes on services to real property.

There are two basic rules that most building contractors are required to follow:

1. Contractors are considered to be the consumers of **all** materials, supplies and equipment used in fulfilling their construction contracts; and
2. Contractors are considered to be retailers of services and must collect sales tax on their taxable services. This guide will illustrate when a contractor's service is subject to sales and use taxes.

The Department of Revenue Services (DRS) is responsible for administering sales and use taxes in Connecticut.

DEFINITIONS

To assist you when using this guide to sales and use taxes for building contractors, we have defined some common terms associated with services to real property.

CONTRACTS

Listed below are 3 major types of construction contracts:

1. Lump Sum or Fixed Fee Contracts

This type of contract provides for a single price for the total work to be performed on a construction project. Such contracts are generally not subject to adjustment because of higher than anticipated costs incurred by the contractor.

EXAMPLE: The contractor agrees to install a new roof on a home for \$10,000. The contractor cannot charge extra even if more material is used or more time is spent than expected.

2. Cost-Plus Contracts

This type of contract provides for reimbursement of allowable or otherwise defined costs incurred plus a fee representing profit. Cost-plus contracts usually require that the contractor use its best efforts to accomplish the scope of the work within a specific time frame and a stated dollar limitation.

EXAMPLE: The contractor agrees to install a new roof on a house. The contract states that the property owner will reimburse the contractor for the cost of materials used and labor costs plus 15%. The work will be performed by a specific date with a maximum number of hours allocated to labor.

3. Time and Material Contracts With an Upset or Guaranteed Price Which May Not be Exceeded

The contractor is paid on the basis of direct labor hours at a fixed hourly rate, this covers the cost of direct labor, indirect expenses and profit, plus the cost of materials and other costs. This type of contract compensates the contractor's performance on the basis of the effort expended in fulfilling the contract with guaranteed maximum cost.

EXAMPLE: The contractor agrees to install a new roof on a house. The contractor will be compensated at a rate of \$75 per hour plus the cost of materials, with the entire cost to the property owner for time and materials not to exceed \$2,500.

PROPERTY

A contract may involve work with real property, tangible personal property, or both.

Real Property

This term usually refers to land and buildings and to materials permanently affixed to the land and buildings. There are five types of real property to which this guide will refer:

1. **New Construction:** Services directly connected with:

- The construction of a new building;
- The construction of a new addition that expands the cubic footage of an existing building;
- The replacement of the entire internal structure of a building, including **new** floors, support columns, walls, mechanical and electrical systems; everything in the interior of a building between the floor that touches the ground and the rafters of the roof must be removed;
- Site improvements to the real property that put the property to a new use (see the *Site Improvements* section of this guide for further information);
- The substantial rehabilitation of a certified historic structure. For information about the special rules that apply to this type of construction, obtain a copy of **CERT-102, Certified Rehabilitation Certificate for Certified Historic Structures**; or
- The initial finish out work to the interior of a new building, provided there has been no previous use of this space, including storage.

With a few exceptions, “new construction” generally ends when the Certificate of Occupancy (C.O.) is issued.

2. **Owner-occupied Residential Property:** Property that:
- Is used exclusively for residential purposes; and
 - Consists of one to three dwelling units (up to a three family house); and
 - At which the owner **must** reside.
3. **Commercial Property:** Property where the activities of buying, selling or leasing of goods or services usually takes place. Examples of commercial property include restaurants, retail stores, office buildings, gas stations and similar property.
4. **Industrial Property:** Property where manufacturing or fabricating activities take place. Examples of industrial property include factories and the yard and grounds surrounding the factory, including the warehouse and shipping docks.
5. **Income-producing Property:** Property that is held for or used in the production of income. Examples of income-producing property include land used for agricultural production and rental property, such as an apartment building or non-owner occupied residential property.

NOTE: A **public Right-of-Way** is property such as a state or municipal street or road and adjacent area. This property is **not** considered commercial, industrial or income-producing property. Services to mains, lines, poles, pipes and other facilities along, above or under public rights-of-way are generally not taxable.

For more detailed information about the topics discussed in this section, refer to Conn. Agencies Regs. §12-407(2)(i)(I)-1, *Services to Real Property*.

Tangible Personal Property

This term refers to goods that are **not** part of the real property. Examples of tangible personal property that might be found in a building include furniture, curtains and certain appliances.

- **Temporary Sheds, Buildings and Trailers**

Prefabricated temporary sheds, offices or other buildings that are placed onto sites for use during construction projects are generally considered and remain tangible personal property. Prefabricated gazebos and storage sheds are generally considered and remain tangible personal property.

SERVICES TO REAL PROPERTY

The following is a list of common services to real property:

- | | |
|-----------------------------------|-----------------------|
| <i>air conditioning</i> | <i>painting</i> |
| <i>carpentry</i> | <i>plastering</i> |
| <i>carpeting</i> | <i>plumbing</i> |
| <i>demolition</i> | <i>refuse removal</i> |
| <i>electrical</i> | <i>roofing</i> |
| <i>elevator or escalator work</i> | <i>sandblasting</i> |
| <i>excavating</i> | <i>siding</i> |
| <i>flooring</i> | <i>structural</i> |
| <i>foundation work</i> | <i>inspection</i> |
| <i>heating</i> | <i>ventilation</i> |
| <i>management</i> | <i>wallpapering</i> |
| <i>masonry</i> | <i>welding</i> |

The tax treatment of these and other services is included in the *Details* section of this guide.

SITE IMPROVEMENTS

Site improvements are improvements made to real property. Certain site improvements put the property to a new use, such as the construction of roadways, walkways (concrete or asphalt), driveways (concrete or asphalt), parking lots, patios (concrete or asphalt), in ground swimming pools, tennis courts or decks. Such services will be considered new construction work, whether or not these improvements are in connection with the construction of a new building.

Other site improvements merely enhance an existing use of the property, such as installation of wells, septic systems, utility lines, storm water drainage systems or outdoor lighting systems. Such services will **not** be considered new construction, unless the construction of the improvements is directly connected with the construction of a new building, or a new addition that expands the cubic footage of an existing building. For information about when services are subject to sales or use tax, see the *Service* section of this guide beginning on Page 13.

MATERIALS

Generally, contractors are considered to be the consumers of the materials and supplies that are used in fulfilling their construction contracts. This means that the contractor must pay tax to the vendor on their purchases of materials. A contractor may not use a resale certificate when purchasing materials **unless** one of the following conditions is met. The contractor:

- Has a store that sells building supplies; or
- Sells particular building materials (e.g. windows, doors, lumber, sheet metal) to the property owner and states on the invoice the following:
 - Charge for the materials,
 - Exact quantity of materials being sold, and
 - Additional price for which the contractor will install the products being sold.

These exceptions generally apply only to contractors that also maintain "storefront" businesses, such as plumbing supply stores or lumber yards. When contractors that maintain storefront businesses take items out of inventory to use in performing contracts, the contractors become liable for use tax on their cost of the items as of that time, and must not charge tax to their contracting customers on the items. Contractors that merely sell parts from trucks or do not maintain storefront businesses may not

purchase materials on resale, but must pay tax on them when they purchase the items, and must not charge tax to their contracting customers on these items.

A contractor may **not** purchase materials on a resale basis if the contract is a:

- Lump sum contract,
- Cost-plus contract, or
- Time and material contract (with an upset or guaranteed price which may not be exceeded).

For the definitions of these types of contracts, see Page 10.

A contractor that enters into a construction contract with an exempt entity may purchase, exempt from tax, the materials that will be installed or placed in the real property and will remain there. See *Exempt Contracts*, beginning on Page 16, for further information.

NOTE: For the rules governing the purchase of materials for specific contracting services, see *Details* beginning on Page 23.

TOOLS OF THE TRADE

The contractor must pay tax on the purchase, lease or rental of all the tools of the contractor's trade including but not limited to hand tools, power tools, sandpaper, ladders, scaffolding and equipment.

If a used item is traded in on the purchase of a new item of the same kind, tax is calculated on the selling price after allowing for the trade-in credit.

EQUIPMENT RENTAL OR SERVICE CONTRACT?

The rental of equipment is a taxable transaction. However, sometimes it is difficult to distinguish a contract for the rental of equipment from a contract for services.

SERVICE CONTRACT

When the equipment owner is hired to do a specific job and maintains complete control over the equipment and retains discretion over how and when to perform the contract, the contract is for **services**.

EXAMPLE: Contract for Services - A crane service receives a job order to unload two freight cars of lumber. It dispatches a crane and an operator to handle the job. When the work is completed, it bills as follows:

Mobile Crane	3 hrs @ \$100	=	\$ 300
Operator	3 hrs @ \$ 40	=	<u>\$120</u>
Total			\$ 420

This is a service contract, not the rental of equipment. The crane service was hired to do a specific job and it had complete control of the actual operation. Since the unloading of freight is **not** a taxable service, the charge made by the crane service is not subject to tax.

EQUIPMENT RENTAL CONTRACT

When the owner is merely supplying equipment, with or without operators, to a certain site, and the customer controls how and when to perform the contract, the contract is for the **rental of equipment**.

EXAMPLE: Rental Contract - A contractor receives a request to supply a bulldozer and a truck without an operator. When the equipment is released the contractor bills as follows:

1 bulldozer	20 hrs @ \$100	=	\$2,000
1 truck	20 hrs @ \$ 50	=	<u>\$1,000</u>
Total			\$3,000

This is a rental contract and the charge is subject to 6% tax.

NOTE: The terms of the contract, not the method of billing, determine whether the contract is for equipment rental or for service.

SERVICE

A contractor's charge for service, sometimes referred to as the charge for "labor", is determined by subtracting from the total contract price the contractor's cost of materials (including tax paid on materials). In other words, every cent above the contractor's cost of materials that are physically incorporated into the real property plus the tax paid on those materials is considered the charge for service. Thus, the charge for service includes the actual charge for labor performed, plus any markup or profit on labor, plus any markup or profit on materials, overhead expenses (including equipment rental), and reimbursed expenses which are incorporated into the bill (whether or not any such charges are separately stated).

REIMBURSED EXPENSES

Generally, reimbursed expenses that are associated with a taxable service are subject to tax, even if separately stated on the invoice. For example, if a security company is hired to provide a taxable guard service and charges \$2,000 plus \$300 of out-of-pocket expenses for travel and meal expenses, the entire \$2,300 fee is subject to tax.

There is an exception to this general rule when the seller of services pays an expense which is the **sole legal or contractual obligation** of the service recipient, such as when a building contractor pays for a building permit on behalf of the building owner. The reimbursement of these expenses is not subject to sales or use tax.

Otherwise, except in specific instances authorized by law, the general rule is that if a service is taxable, the reimbursed expenses associated with it are also taxable.

WHEN IS A CONTRACTOR'S LABOR SUBJECT TO TAX?

A contractor's labor is subject to tax when the service is to:

- EXISTING commercial real property.
- EXISTING industrial real property.
- EXISTING income-producing real property.
- One of the following seven services to EXISTING owner-occupied residential property (see *Other Services* on Page 20):

paving	wallpapering
painting	roofing
staining	siding
exterior sheet metal work	

The tax on the above services to existing owner-occupied residential property and other property that is not commercial, industrial or income-producing, is being phased out as follows:

For Tax Years Beginning On or After	But Before	Tax Rate
7/1/1999	7/1/2000	4%
7/1/2000	7/1/2001	2%
7/1/2001	-	0%

- One of the following services to **all** types of NEW and EXISTING real property (see *Other Services* on Page 20):

janitorial	locksmith
maintenance	exterminating
window cleaning	landscaping and
swimming pool	horticulture
cleaning and maintenance	

WHEN IS A CONTRACTOR'S LABOR NOT SUBJECT TO TAX?

A contractor's labor is **not** subject to tax when the service is rendered to:

- New construction (except for services as specified above).
- Owner-occupied residential property (UNLESS the service is one of the seven taxable services or other services previously specified).
- Charitable, religious or governmental real property, provided a completed **CERT-119**, *Certificate for Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations* or a *Governmental Agency Exemption Certificate* is issued to the contractor by the exempt entity. See *Exempt Contracts* beginning on Page 16.
- Low and moderate income housing, provided a completed **CERT-126**, *Certificate for Exempt Purchases of Tangible Personal Property or Services for Low and Moderate Income Housing Facilities* is used. See *Exempt Contracts* beginning on Page 16.
- Out-of-state contracts. See *Exempt Contracts* beginning on Page 16.
- Real property owned by hospitals and certain other exempt entities. See *Exempt Contracts* beginning on Page 16.
- Services to industrial, commercial or income-producing real property rendered in the voluntary evaluation, prevention, treatment, containment or removal of hazardous waste or other contaminants of air, water or soil.

CONTRACTOR'S PURCHASE OF SUBCONTRACTOR SERVICES

General contractors often purchase the services of subcontractors in order to complete a project. There are two possible methods of purchasing subcontractor services:

1. General Contractor Issues a Resale Certificate to Subcontractor:

A general contractor can purchase a subcontracting service for resale as long as the subcontracting service is an **integral, inseparable component part** of the service to be sold to the end customer. An **integral, inseparable component part** is one which is essential to complete the performance of the final service being sold. If the job is a taxable job, the contractor must collect tax on the total service charge to the end customer.

The general contractor may **not** use or "consume" the service purchased for resale. For example, a general contractor that hires the services of a temporary help agency to provide a secretary for the contractor's office must pay tax for that service and cannot purchase it on a resale basis because the service of a secretary is not an integral and inseparable part of the service to be sold to the end customer.

The subcontractor is responsible for paying tax on the purchase of materials used in performing the subcontract. Only the service portion of the bill will be resold. The subcontractor's bill to the general contractor should be broken out into two parts:

- Materials consumed, including tax paid; and
- Service, including markup on materials, overhead expenses, reimbursed expenses and the labor component.

If the sale is of a taxable service, the general contractor should charge tax to the property owner only on the service portion of the bill. See *Example 1* on Page 55.

NOTE: If the subcontractor does not break out the charge for materials from the charge for service, the general contractor must collect tax from the customer on the entire amount of the subcontractor's bill.

2. General Contractor Does Not Issue a Resale Certificate to Subcontractor:

If the general contractor **does not** issue a resale certificate to the subcontractor **and** it is a taxable contract, the subcontractor must charge tax to the general contractor on the service portion of the bill.

The subcontractor is considered the consumer of the materials used in fulfilling a construction contract and the subcontractor has two options to choose from when billing the general contractor.

Option One

The subcontractor breaks the bill to the general contractor into two components:

- Materials consumed, including tax paid; and
- Service, including markup or profit on materials, overhead expenses and the actual labor charges.

Option Two

Only a total charge is shown on the bill, which includes all the charges for service, materials and tax with the words "sales tax included." If this method is used, the subcontractor will determine the gross receipts from the taxable service by multiplying the charge for the service (tax included) by .943 (except if the service is taxed at a rate lower than 6%; charges for sales taxed at 4% are multiplied by .962 and charges for sales taxed at 2% are multiplied by .980, see Page 13). The tax is determined by subtracting the gross receipts from the charge for the service (tax included). See *Example 4* on Page 67.

Regardless of which method is used, the subcontractor should charge tax to the general contractor on **only** the service component of the contract.

Likewise, only the service component of the general contractor's bill to the property owner will be subject to tax since tax was already charged by the subcontractors to the general contractor for their services. See *Example 2* on page 59.

BILL TO THE FINAL CUSTOMER:

In most cases, the general contractor is considered the consumer of the materials used in fulfilling a construction contract. With this in mind, the general contractor also has two options to choose from when billing the final customer.

Option One

The general contractor breaks the bill to the property owner into two components:

- Materials consumed, including tax paid; and
- Service including markup or profit on materials and labor, overhead expenses and the actual labor charges.

If this is a taxable contract, the general contractor will charge tax on **only** the service component of the bill.

Option Two

Only a total charge is shown on the bill, which includes all the charges for service, materials and tax with the words "sales tax included." If this method is used, the contractor will determine the gross receipts from taxable services by multiplying the charge for services (tax included) by .943 (except if the service is taxed at a rate lower than 6%; charges for sales taxed at 4% are multiplied by .962 and charges for sales taxed at 2% are multiplied by .980, see Page 13). The tax is determined by subtracting the gross receipts from the charge for services (tax included). See *Examples 3* and *4* on Pages 63 and 67.

IMPORTANT: Regardless of the option chosen, the general contractor must keep accurate records of the actual costs for materials and service, including all subcontracting costs for each contract. The general contractor should charge tax to the final customer **only** on the total service component of the contract.

NOTE ON PURCHASING SERVICES FROM A TEMPORARY EMPLOYMENT AGENCY

Temporary employment services are subject to tax. In order for a contractor to be allowed to purchase temporary employees on a resale basis, **two** conditions must be met:

1. The temporary help purchased by the contractor must be an integral, inseparable component part of the contractor's service. For example, carpenters and plumbers are an integral, inseparable component part of the contractor's service, while secretaries and bookkeepers are not.

AND

2. The contractor must be performing a taxable service to real property. For example, temporary help cannot be purchased on a resale basis if the contract is for new construction because new construction is not a taxable service to real property.

As long as **both** of the above conditions are met, the contractor may purchase the temporary help on a resale basis even if the service is performed for an entity that is exempt from paying tax.

EXEMPT CONTRACTS

Sometimes, contractors will contract with entities that are not required to pay Connecticut sales and use taxes. This section will explain the correct procedures to use.

PURCHASING MATERIALS

When a contractor enters into a construction contract with an exempt entity, the contractor may purchase exempt from tax, materials and supplies, which will be installed or placed in projects being performed under these contracts and will remain in such projects after their completion, including tangible personal property that remains tangible personal property after its installation or placement. This is accomplished by the contractor issuing a *Contractor's Exempt Purchase Certificate* to the contractor's vendor. Items that are likely to meet this requirement include but are not limited to bathroom partitions, metal lockers, theater seats and other items that are nailed, bolted or screwed into the real property, as well as appliances and furniture that are not permanently affixed to the property, as long as the items will remain on the property after the contract is completed.

After completion of the project, the contractor must report and pay the tax due on any untaxed materials the contractor still has in inventory which were purchased exempt from tax. If, on the other hand, the contractor incorporates or places materials in a project for an exempt organization and the contractor has already paid tax on the materials, the contractor may deduct the purchase price of these materials on the contractor's next return as an adjustment.

The contractor is also considered to be the consumer of all the tools, supplies and equipment used in fulfilling the construction contract. The contractor must pay tax on the purchase of these items because they do not become incorporated or placed in the exempt job, even if they are "used up" during the job.

PURCHASING SERVICES

When a contractor purchases a service while engaged in a contract with an exempt organization, the contractor must decide if the contractor will be **consuming** this service or **reselling** this service. Often a contractor assumes that if the contractor is engaged in a contract with an exempt entity, the contractor can buy all services exempt from tax. This is not a correct assumption. Only those services that will be resold by the contractor can be purchased exempt from tax by issuing a resale

certificate to the service provider. Those services which will be consumed by the contractor cannot be purchased for resale. If it is a taxable service that the contractor is purchasing and consuming, the contractor must pay tax to the seller of the service.

For example, a contractor that is engaged in a contract with an exempt organization purchases secretarial services to handle the paperwork in its business office. These services will be taxable to the contractor because the contractor is consuming them. Such services cannot be purchased on resale because they are not considered an "integral and inseparable component part" of the building contract with the exempt entity. However, if a general contractor hires a plumber, a carpenter and an electrician, a resale certificate may be issued to the subcontractors because these services are considered to be integral and inseparable component parts of the building contract.

NOTE: If the contractor is purchasing services from a temporary employment agency, refer to the *Note* on Page 15 of this guide to determine if the services can be purchased on a resale basis.

TYPES OF EXEMPT CONTRACTS

1. Governmental Entities:

- United States government and its agencies;
- State of Connecticut and its agencies;
- Political subdivisions of Connecticut (cities and towns and their agencies including municipal housing authorities);
- Private developers where Connecticut is under contract to purchase a particular property from a developer, through a long term financing contract, after it is built or renovated;
- Tax districts; and
- Federally recognized Indian tribes where the services will be performed on their federally recognized reservation.

NOTE: **Turn-key contracts** with governmental or other exempt entities **do not** qualify for exemption from tax. A **turn-key contract** is one in which the exempt entity contracts for a construction project to be completed by the contractor on land not owned by the exempt entity during the construction period. The title to the property will be turned over to the exempt entity at the completion of the project.

Materials: The contractor purchases all materials that will be physically incorporated into the government property exempt, by issuing a *Contractor's Exempt Purchase Certificate* to the vendor.

Labor: The contractor must receive a completed *Governmental Agency Exemption Certificate* from the governmental organization. Once this certificate is received, the contractor does not charge tax on any of the construction labor.

NOTE: If the contract is with a federally recognized Indian tribe for services performed on its federally recognized reservation, the contractor must receive a completed **CERT-127**, *Certificate for Exempt Purchases by an Enrolled Member or by the Tribal Government of the Mashantucket Pequot Tribe or Mohegan Tribe*, or **CERT-128**, *Certificate for Exempt Purchases by Contractors in Connection with Construction Projects on the Mashantucket Pequot or Mohegan Reservations*.

2. Exempt Entities:

- A charitable or religious organization that either holds a determination letter from the Internal Revenue Service that the organization is described in Section 501(c)(3) or (13) of the Internal Revenue Code, or a valid exemption permit issued by DRS before July 1, 1995. These organizations will issue a **CERT-119**, *Certificate for Purchases of Tangible Personal Property and Services by Exempt Organizations*.
- Nonprofit charitable hospitals, nonprofit nursing homes, nonprofit rest homes and nonprofit residential care homes licensed by the State of Connecticut pursuant to Chapter 368v of the Connecticut General Statutes. Nonprofit charitable hospitals will issue a **CERT-119**, *Certificate for Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations*. Nonprofit nursing homes, rest homes and residential care homes will issue a **CERT-113**, *Certificate for Purchases of Tangible Personal Property and Services by a Nonprofit Nursing Home, Nonprofit Rest Home or Nonprofit Home for the Aged*.
- University of Connecticut Educational Properties, Incorporated, with regard to the Connecticut Technology Park.

- Water companies, as defined in Conn. Gen. Stat. §16-1. A water company will issue a **CERT-130**, *Sales and Use Tax Exemption for Purchases by Water Companies*.
- Tourism districts, as defined in Conn. Gen. Stat. §32-302. A tourism district will issue a *Governmental Agency Exemption Certificate*.
- Connecticut Resource Recovery Authority (CRRA). The CRRA, or a lessee or operator of a CRRA project, will issue a **CERT-131**, *Exemption for Projects of the CRRA and Solid Waste-to-Energy Facilities*.

Materials: The contractor purchases exempt, all materials that will be installed or placed in the exempt entity's real property, including tangible personal property that remains tangible personal property after its installation or placement, by issuing a *Contractor's Exempt Purchase Certificate* to the vendor.

Labor: The contractor must receive a completed exemption certificate as described above from the exempt entity. Once this certificate is received, the contractor does not charge tax on any of the construction labor.

3. Low and Moderate Income Housing:

Sales of tangible personal property and services used in the construction, rehabilitation, renovation, repair, maintenance or operation of low and moderate income housing facilities are exempt.

The sponsor of a low and moderate income housing facility must apply to DRS for a **Facility Approval Letter**, which acknowledges that the facility is constructed under the sponsorship of, and owned or operated by, a non profit housing organization, as defined in Conn. Gen. Stat. §12-412(29), or a municipal housing authority as defined in Conn. Gen. Stat. §8-39. For further details, see **PS 96 (6.1)**, *Sales and Use Tax Exemption for Low and Moderate Income Housing Facilities*.

Materials and Labor: The contractor may purchase materials and services exempt from tax that the contractor will use in the construction, rehabilitation renovation, repair, maintenance or operation of the facility. The contractor must issue **CERT-126**, *Certificate for Exempt Purchases of Tangible Personal Property or Services for Low and Moderate Income Housing Facilities*, to the vendor. The contractor must obtain a copy of the **Facility Approval Letter** specifically identifying the project from the sponsor, owner or operator of the facility, and attach it to **CERT-126**.

The contractor may sell all labor exempt, if the contractor receives a **CERT-126**, with the **Facility Approval Letter** attached, from the sponsor, owner, operator or another contractor.

4. Out-of-State Contracts:

When the project is located outside the State of Connecticut, there is no Connecticut tax due on the contractor's labor. However, the contractor should contact the other jurisdiction's tax department to determine the proper tax procedures to follow.

Materials: Businesses may apply to the Department for a refund of sales and use taxes paid on tangible personal property purchased from a Connecticut retailer when those goods will be shipped outside of Connecticut by common or contract carrier for exclusive use outside Connecticut or will be incorporated into other property to be shipped outside Connecticut for exclusive use outside Connecticut. This is known as the "**Buy Connecticut**" provision, established under Conn. Gen. Stat. §12-408c. This provision also allows the Commissioner of Revenue Services to issue permits that enable qualified purchasers to purchase such property without payment of the tax otherwise imposed by the Sales and Use Taxes Act. For further details, see **SN 98(10)**, *The "Buy Connecticut" Provision - 1997 Conn. Pub. Acts 243, §48*.

Labor: As long as the project is located outside Connecticut and the work is performed out-of-state, there is no Connecticut tax to collect. Contact the other jurisdiction's tax department to ensure compliance with the other jurisdiction's tax laws.

5. Waste Treatment Facilities:

There is an exemption for tangible personal property that is incorporated into or consumed in the operation of facilities for the treatment of industrial waste. These exempt items are approved by the Department of Environmental Protection (DEP) Water Compliance Unit.

Materials: If the item appears on the "List of Approved Water Pollution Equipment" contained in **PS 99(3)**, *Tax Exemptions for Certain Water Pollution Control Equipment*, and the item is intended to be incorporated into or used and consumed in the operation of facilities for the treatment of industrial waste before the discharge thereof into any waters of the state or into any sewerage system emptying into such waters, the primary purpose of which is the reduction, control or elimination of pollution of such waters, the contractor may purchase the item exempt from tax by issuing to the contractor's supplier a completed **CERT-124**, *Certificate for Purchases of Tangible Personal Property Incorporated into or Consumed in Water Pollution Control Facilities*.

If the item does not appear on the list in **PS 99(3)** but the purchaser intends to use or consume it in the operation of such facilities, the purchaser must receive written approval from DEP indicating that such item is approved for use in a water pollution control facility. The purchaser may then buy the item exempt, by issuing both the approval letter and a completed **CERT-124** to the purchaser's supplier.

The contractor must pay tax on all materials and supplies that are not covered by this exemption.

Labor: Because services rendered in the voluntary evaluation, treatment, containment, or removal of hazardous waste or other contaminants of air, water, or soil are not taxable, the contractor does not charge tax on labor in connection with a *voluntary* project when incorporating the exempt materials into:

- New construction
- Existing commercial property
- Existing industrial property
- Existing income-producing property

See Page 19 for the definition of *voluntary*.

6. Air Pollution Control Facilities:

There is an exemption for tangible personal property that is incorporated into or used in air pollution control facilities that are approved by DEP.

Materials: If the item appears on the "List Of Approved Air Pollution Equipment" contained in **PS 99(2)**, *Tax Exemptions For Certain Air Pollution Control Equipment*, and the item is intended to be incorporated into or used and consumed in the operation of facilities, the primary purpose of which is the reduction, control or elimination of air pollution, the contractor may purchase the item exempt, by issuing to the contractor's supplier a completed **CERT-117**, *Certificate for Purchases of Tangible Personal Property Incorporated Into or Consumed in Air Pollution Control Facilities*.

If the item does not appear on the list in **PS 99(2)** but the purchaser intends to use or consume it in the operation of such facilities, the purchaser must receive written approval from DEP that such item is approved for use in an air pollution control facility. The purchaser may then buy the item exempt, by issuing both the approval letter and a completed **CERT-117** to the contractor's supplier.

The contractor must pay tax on all materials and supplies that are not covered by this exemption.

Labor: Because services rendered in the voluntary evaluation, treatment, containment, or removal of hazardous waste or other contaminants of air, water, or soil are not taxable, the contractor does not charge tax on labor in connection with a *voluntary* project when incorporating these exempt materials into:

- New construction
- Existing commercial property
- Existing industrial property
- Existing income-producing property

See below for the definition of *voluntary*.

CONDOMINIUMS

When a condominium unit is occupied by the owner, it is considered to be residential real property; when a unit is rented, it is considered to be income-producing real property. Therefore, if the contractor is rendering a service **directly to the owner of the condominium unit** and the service is a "service to real property," the application of the tax depends upon whether the unit is owner-occupied or rented. If the unit is rented, tax applies to the service. For a list of such services, see *Services To Real Property* on Page 11. If the unit is owner-occupied, no tax applies to the service unless it is one of the services listed under *Other Services* on Page 20.

If, on the other hand, the service is being rendered by a contractor **directly to a condominium association** and the service is a "service to real property," tax applies to the percentage of the service charge that is equivalent to the percentage of the total units that are rental units. For a list of such services, see *Services to Real Property* on Page 11.

For example, if a condominium complex contains a total of 100 units, of which 40 units are owner-occupied and 60 are rental units, the contractor must charge tax on 60% of the charge for the contractor's taxable services. The contractor must obtain from the condominium association a completed **CERT-103, Residential Condominium Association Certificate**, that requires the association to provide a breakdown of the owner-occupied units as a percent of total units as of the first day of the calendar year.

Often an association will contract with a property management company to oversee the day-to-day operations of the association. The portion of the management fee that is taxable is equivalent to the percentage of rental units. The property management company is allowed to issue a resale certificate to a

contractor who is providing a taxable service as long as the service will be resold to the association. The property management company must collect tax on the taxable services that it resells.

IMPORTANT: Some services rendered by a contractor to a residential condominium association or to the owner of a condominium unit are 100% taxable, regardless of the percentage of the units that are owner-occupied. The contractor must charge tax on the entire bill for these services. For examples of services that do **not** follow the rules for "services to real property," see *Other Services* on Page 20.

EXCLUSION FOR SERVICES RENDERED WITH REGARD TO HAZARDOUS WASTE AND OTHER CONTAMINANTS

Certain services to commercial, industrial or income-producing real property are excluded from tax by statute: any services rendered in the voluntary evaluation, prevention, treatment, containment or removal of hazardous waste or other contaminants of air, water or soil.

Materials: Follow the usual rules for materials; for further details, see *Materials* on Page 12.

Labor: Labor performed in the voluntary evaluation, prevention, treatment, containment or removal of hazardous waste or other contaminants of air, water or soil is not taxable.

See **SN 95 (17), Certain Environmental Services Excluded from Sales and Use Taxes**, for the definitions of hazardous waste and other contaminants.

The term *voluntary* includes actions taken:

- To comply with a statute or regulation, or
- In accordance with a consent agreement or stipulated judgment which is issued or entered in any administrative or civil action brought by the Connecticut Department of Environmental Protection or the federal Environmental Protection Agency,

before the earlier of the time when:

- A prehearing conference is held, or
- The hearing or trial in such action begins.

In other words, any action taken to evaluate, prevent, treat, contain or remove hazardous waste or other contaminants is considered "involuntary," and taxable, if it is taken after a prehearing conference is held, or after a hearing or trial begins, whichever is earlier.

Resale treatment for services is not allowed with regard to services voluntarily performed to evaluate, prevent, treat, contain or remove hazardous waste or other contaminants. For example, a contractor that purchases personnel services that it will use in a nontaxable voluntary environmental cleanup job must pay tax on the personnel services, because the voluntary environmental services are not enumerated as taxable services.

OTHER SERVICES

SERVICES THAT DO NOT FOLLOW THE RULES FOR SERVICES TO REAL PROPERTY

Some services are taxable in all cases, whether rendered to new construction, owner-occupied residential property, existing commercial property, existing industrial property, or existing income-producing property. These services include, but are not limited to:

carpet cleaning
exterminating
house washing
landscaping
locksmith services
maintenance and janitorial
snow plowing/removal
swimming pool cleaning and maintenance
window cleaning

Some services are taxable in all cases **except** to new construction. These services are limited to the following **seven** services:

painting *wallpapering*
paving *roofing*
staining *siding*
exterior sheet metal services

The tax on the above services to existing owner-occupied residential property other than property that is commercial, industrial or income-producing, is being phased out as follows:

For Tax Years Beginning On or After	But Before	Tax Rate
7/1/1999	7/1/2000	4%
7/1/2000	7/1/2001	2%
7/1/2001	-	0%

INSTALLATION VERSUS REPAIR OR MAINTENANCE OF TANGIBLE PERSONAL PROPERTY

This section covers services rendered to the following types of systems and units:

alarm systems
central air conditioning units
central vacuuming units
furnaces (boilers and burners)
modular lighting units
pumps
refrigeration units
tanks
water heaters

These services may include **installation** of the units or systems into the real property or may include **repair or maintenance** of these units, including their electrical or electronic devices.

Most contractors provide both types of services; they install systems and they repair and maintain them. Different tax rules apply depending upon which type of job is being done.

Installation of Systems

When the contractor installs systems such as those listed above, the contractor is rendering a service to real property. As explained in the previous sections, the contractor is the consumer of the items used in rendering the service and must pay tax to the vendor on the purchase.

The contractor does **not** charge tax when installing the above-mentioned systems in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing the previously mentioned systems in:

- Existing commercial real property
- Existing industrial real property
- Existing income-producing real property

Repair Or Maintenance Of Tangible Personal Property (Units)

A contractor repairing or maintaining units or electrical or electronic devices that are part of such units is rendering taxable maintenance and repair services to tangible personal property.

Providers of maintenance or repair services are the consumers of supplies used in rendering their services. Therefore, sales of tangible personal property, other than integral parts, to a contractor who uses such property in repairing tangible personal property are taxable retail sales to the contractor. The term *integral part* means a part, such as a circuit board, heating element, control panel, or gear, that retains its separate identity even after being incorporated into repaired equipment. The term *integral part* does not include materials such as lubricants, coolant, stain, paint, varnish, glue, solder and wire, that do not retain their separate identity after being used to repair tangible personal property, but are consumed by the contractor.

Contractors providing repair or maintenance services must separately state the charge for integral parts and the charge for maintenance or repair services on the bill to the customer. Any fees, such as "service call" charges, minimum charges, hourly or flat rates, mileage charges, or pickup or delivery charges, are taxable as charges for repair or maintenance services to tangible personal property. The total bill is taxable.

NOTE: A contractor that both installs and repairs or maintains these units or systems may purchase all items of inventory that can be used in both installation and repairs on a resale basis. For example, if the contractor purchases piping, the purchase may be made using a resale certificate because piping can be used both in the installation of a water system and the repair of an existing water system. If the item is used in an installation, then the contractor must self-assess use tax on the contractor's purchase price.

If, on the other hand, the item is used in a repair, the contractor must collect tax from the customer. However, the contractor cannot use a resale certificate to purchase items that can only be used in an installation (e.g. furnaces, central air conditioning or water heater units).

BOND REQUIREMENTS OF NONRESIDENT CONTRACTORS

A **nonresident contractor** entering into a contract under which tangible personal property will be consumed or used in Connecticut must deposit with the Commissioner of Revenue Services:

- 5% of the total contract price, or
- Must post a guarantee bond in the same amount to secure payment of Connecticut taxes.

Any person (contractor, property owner, etc.) dealing with a nonresident contractor will be held **personally liable** for payment of **any** state taxes owed by the nonresident contractor in connection with fulfilling the contract.

To avoid personal liability, the person dealing with the nonresident contractor may:

- Obtain a certificate from the Department indicating that the nonresident contractor has met either of the previously mentioned requirements;
- Withhold 5% of all amounts payable to the nonresident contractor and deposit this sum with the Department; or
- Furnish the Commissioner with a guarantee bond in the same amount.

The term *nonresident contractor* is defined as a contractor without a permanent place of business in this state. Such a place of business means an office continuously maintained, occupied and used by such contractor's employees regularly in attendance to carry on such contractor's business in the contractor's own name. An office maintained, occupied and used by a contractor only for the duration of a contract will not be considered a permanent place of business. An office maintained, occupied and used by a person affiliated with a contractor will not be considered a permanent place of business of the contractor.

CREDIT FOR BAD DEBT

Because tax is generally reported on the **accrual basis**, there may be cases in which the seller has paid over the tax to the Department on a credit sale which is subsequently determined to be uncollectible. Contact the Department Taxpayer Services Division at 1-800-382-9463 (toll-free within Connecticut) or 860-297-5962 (from anywhere), for further information.

notes

THE DETAILS

ALARM SYSTEMS

(Burglary and Fire)

Permanent Installation

Permanently installed means that the wire, keypads or control boards and sensor devices are built into the real property.

Materials: The contractor pays tax on all purchases of materials that become part of the alarm system, including but not limited to:

horn/siren
keypad
motion detectors
smoke/fire detectors
wire

Labor: The contractor does **not** charge tax when permanently installing the alarm system in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when permanently installing the alarm system in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs and Maintenance

The contractor must charge tax for:

- The sale or renewal of a repair, maintenance or warranty contract on the alarm system;
- Repairs to or maintenance of the alarm system, except when performed under a repair or maintenance contract and no additional charge is made for the repair; and
- The sale of a monitoring contract.

The contractor purchases integral parts for the alarm system exempt, by issuing a resale certificate to the contractor's vendor.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty*.

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject

to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when the service is performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

ANTENNAS AND COMMUNICATIONS TOWERS

Communications towers typically are tall steel structures mounted on concrete pads on the ground and secured to the ground with guy wires. There may also be buildings constructed at the tower sites. Tower owners may grant wireless communications companies the right to attach their equipment to the towers and install equipment in the buildings for a monthly fee. The towers are expected to remain in place indefinitely, because of the difficulty of removing them and because of considerations involved in Federal Communications Commission licensing, contractual arrangements with communications companies, and zoning approvals.

The towers and equipment buildings are improvements to real property, not tangible personal property. As such, payments for the right to attach equipment to the towers are not taxable as the sale or lease of tangible personal property. Services rendered to the towers themselves or the buildings around them are services to commercial, industrial or income-producing real property. However, services rendered to the equipment attached to the towers or placed in the buildings are maintenance or repair services to tangible personal property.

Installation of and Services to Communications Towers

Materials: The contractor pays tax on all purchases of materials that become part of the communications tower, including but not limited to:

girders *guy wires* *concrete*

Labor: The contractor does **not** charge tax when performing services to:

- New construction

The contractor **must charge** tax when performing services to:

- Existing communications towers

Installation of Equipment on Communications Towers

Labor: The contractor does **not** charge tax on separately stated installation labor when installing the equipment on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repair or Maintenance of Equipment Installed on Communications Towers

The contractor must charge tax for:

- The sale or renewal of a repair, maintenance or warranty contract on the equipment;
- Repairs to or maintenance of the equipment, except when performed under a repair or maintenance contract and no additional charge is made for the repair.

The contractor purchases integral parts for the equipment exempt, by issuing a resale certificate to the contractor's vendor.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty.*

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when the service is performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

BATHROOMS

Installation

Materials: The contractor pays tax on all purchases of materials including but not limited to:

<i>cabinets*</i>	<i>tile</i>
<i>exhaust fans</i>	<i>toilets</i>
<i>faucets</i>	<i>tubs</i>
<i>mirrors</i>	<i>tub or shower enclosures</i>
<i>shower heads</i>	<i>vanities</i>
<i>sinks</i>	

* Contractors installing cabinets should obtain a copy of **PS 94(7)**, *Fabrication and Installation of Stock and Custom Cabinets*, to determine the proper tax treatment.

Labor: The contractor does **not** charge tax when installing the above items in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing the above items in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

BRICKWORK/STONWORK

1. Related to the Structure

Installation

Materials: The contractor pays tax on all purchases of materials for construction of chimneys, interior and exterior surfaces of the building, and fireplaces, including but not limited to:

bricks *stone* *cement*
stone dust *mortar*

Labor: The contractor does **not** charge tax when installing the above items in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing the above items in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: Taxation of the services of repairing, repointing and fixing cracks in brick structures follows the rules for installation.

2. Related to landscaping, such as the installation of walkways, walls and patios (other than asphalt, tar, macadam or poured concrete)

Materials: The contractor purchases all the materials including but not limited to brick, stone, mortar and stone dust, which will be physically incorporated into the project, without payment of tax by issuing a resale certificate to the vendor.

Labor: The contractor **must charge** tax on the labor and materials to install, when the service is performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

See also *LANDSCAPING*

CABINETS

(See *BATHROOMS* and *KITCHENS*)

CARPENTRY

(Building or repairing wooden structures)

Materials: The contractor pays sales or use tax on all purchases of materials including, but not limited to lumber and building supplies.

Labor: The contractor does **not** charge tax when performing carpentry services to:

- New construction
- Owner-occupied residential property *

The contractor **must charge** tax when performing carpentry services to:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

*Except for carpentry services rendered in installing, repairing or replacing siding or roofing, which are taxable when performed on any existing real property. See *ROOFING AND SIDING*.

CARPET CLEANING

(See *JANITORIAL*)

CARPETING

(See *FLOOR COVERINGS*)

CENTRAL AIR CONDITIONING

Installation

Materials: The contractor pays tax on all purchases of materials that become part of the central air conditioning system including but not limited to:

central air conditioning units
duct work
blowers
control devices

Labor: The contractor does **not** charge tax when installing the central air conditioning system in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing the central air conditioning system in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs and Maintenance (Excluding duct work)

The contractor **must charge** tax for:

- The sale or renewal of a repair, maintenance or warranty contract on the air conditioning unit; and
- Repairs to or maintenance of the air conditioning unit, except when performed under a service contract and no additional charge is made for the repair.

The contractor purchases integral parts for the air conditioning system exempt, by issuing a resale certificate to the vendor. These parts include but are not limited to:

<i>blowers</i>	<i>fans</i>
<i>coils</i>	<i>filters</i>
<i>compressors</i>	<i>refrigerant</i>
<i>condenser coils</i>	<i>refrigerant tubes</i>
<i>control devices</i>	
<i>excess moisture drains</i>	

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty.*

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when the service is performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property

- Existing industrial property
- Existing income-producing property

See the *INTERIOR SHEET METAL* section of this guide for tax treatment of the cleaning and maintenance of interior duct work.

CENTRAL VACUUM SYSTEMS

Installation

Materials: The contractor pays tax on all purchases of materials that become part of the central vacuum system including, but not limited to:

<i>vacuum units</i>	<i>wall outlets</i>
<i>pipe</i>	<i>control devices</i>
<i>tubing</i>	

Labor: The contractor does **not** charge tax when installing the central vacuum system in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing the central vacuum system in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs and Maintenance

The contractor must charge tax on the charges for:

- The sale or renewal of a repair, maintenance or warranty contract on the central vacuum unit; and
- Repairs to or maintenance of the central vacuum unit (except when performed under a service contract and no additional charge is made for the repair).

The contractor purchases integral parts for the central vacuum system exempt, by issuing a resale certificate to the contractor's vendor.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty.*

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject

to tax unless a charge for the parts is made by the contractor to the customer. *Integral part* means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when the service is performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

IMPORTANT: Taxation of the repair, cleaning and maintenance of the interior piping of the system follows the rules for installation of a system.

CHIMNEYS

Installation and Repairs

Materials: The contractor pays tax on all purchases of materials, including but not limited to:

<i>bricks</i>	<i>flues</i>
<i>caps</i>	<i>pots</i>
<i>cement</i>	<i>rain and draft deflectors</i>
<i>flashing</i>	<i>stone</i>

Labor: The contractor does **not** charge tax when installing or repairing (such as fixing cracks, and repointing) the above items in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing or repairing the above items in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

See the *EXTERIOR SHEET METAL* section of this guide for services performed to the flashing.

CHIMNEY CLEANING

The contractor pays tax on the purchase of all cleaning supplies. The contractor must charge tax on the total charge for chimney cleaning when the service is rendered to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

COMPUTER CABLE OR WIRING

(See *TELEPHONE AND COMPUTER CABLE AND WIRING*)

DECKS

Materials: The contractor pays tax on all purchases of materials, including but not limited to lumber and building supplies.

Labor: The contractor does **not** charge tax when performing carpentry services to:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when performing carpentry services to:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: Site improvements that put the property to a new use are new construction. For example, the owner of an existing apartment complex contracts with a carpenter to build a wooden deck on the back of each unit. Prior to this contract there were never any decks attached to this building. This contract is a new construction contract.

DEMOLITION

Materials: The contractor pays tax on all materials consumed, such as explosives and blasting supplies, in providing this service.

Labor: The contractor does **not** charge tax when demolition services are rendered on:

- New construction
- Owner-occupied residential property.

The contractor **must charge** tax when these services are performed on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: As long as the demolition is part of the contract for a new construction project, the demolition service is not subject to tax.

DRIVEWAYS, PARKING LOTS AND WALKWAYS

(For asphalt, tar, macadam and poured concrete areas, see *PAVING*)

(For brick, stone areas or concrete pavers see *LANDSCAPING*)

DUCT WORK

(See *INTERIOR SHEET METAL*)

ELECTRICAL

(Complete wiring or rewiring of structures or the upgrading of the electrical service of a structure)

Materials: The contractor pays tax on all purchases of materials, including but not limited to:

circuit breakers
door bells, buzzers and chimes
main power boxes
outlets
receptacles
switches

wall boxes
wall fixtures
wiring

Labor: The contractor does **not** charge tax when installing the above items in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing the above items in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

ELECTRICAL DEVICES

Repairs And Maintenance

Repairing electrical or electronic devices and repair or maintenance services to any item of tangible personal property, including, but not limited to central air conditioning units, central vacuuming units, refrigeration units, modular lighting units, pumps and alarm systems.

The contractor **must charge** tax for:

- The sale or renewal of a repair, maintenance or warranty contract on any item of tangible personal property or electrical or electronic devices; and
- Repairs to or maintenance of tangible personal property or electrical or electronic devices, except when performed under a service contract and no additional charge is made for the repair.

The contractor purchases integral parts for electrical devices exempt, by issuing a resale certificate to the vendor.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty.*

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when the service is performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

See also *INSTALLATION VERSUS REPAIR OR MAINTENANCE OF TANGIBLE PERSONAL PROPERTY* on Page 20 of this guide.

ELEVATORS AND ESCALATORS

Installation

Materials: The contractor pays tax on all purchases of materials, including but not limited to:

<i>motors</i>	<i>staircases</i>
<i>cables</i>	<i>elevator cars</i>
<i>control panels</i>	

Labor: The contractor does **not** charge tax when installing an elevator or escalator in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing an elevator or escalator in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs and Maintenance

The contractor **must charge** tax for:

- The sale or renewal of a repair, maintenance or warranty contract on the elevator or escalator motor; and
- Repairs to or maintenance of the elevator or escalator motor, except when performed under a service contract and no additional charge is made for the repair.

The contractor purchases integral parts for elevators or escalators exempt, by issuing a resale certificate to the contractor's vendor.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty*.

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when the service is performed in:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

IMPORTANT: Taxation of the repairs to or maintenance of the elevator shaft or box, or the escalator stairs, follows the tax rules for the installation of elevators and escalators.

ENERGY AUDITS

Energy audits, usually performed for utility companies to foster energy conservation and reduce energy costs to customers, are services to real property.

Materials: The energy audit contractor must pay tax on all purchases of materials consumed in performing energy audits. However, if the energy audit contractor separately states charges to the utility company or utility company customers for materials such as shower heads, weather stripping and insulation, it may purchase such items on resale and must charge tax on the items.

Labor: The energy audit contractor **must charge** tax to the utility company or utility company customer when the audit is conducted on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

The contractor does **not** charge tax when the audit is conducted on:

- New construction
- Owner-occupied residential property

EXCAVATING, GRADING AND LAND CLEARING

1. Not Related to Landscaping

The contractor does **not** charge tax when performing these services on:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when performing these services on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

2. Related to Landscaping

These services are subject to tax when rendered to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

See *LANDSCAPING AND HORTICULTURE SERVICES*, for related information.

EXTERIOR SHEET METAL WORK

Installation And Repair

Materials: The contractor pays tax on the purchase of materials, including but not limited to:

flashing
metal downspouts
metal gutters

Labor: The contractor does **not** charge tax when installing or repairing exterior sheet metal work in:

- New construction

The contractor **must charge** tax when installing or repairing exterior sheet metal work in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property
- Existing owner-occupied residential property*

*Only at the reduced rate (see Page 13). Not taxable on or after July 1, 2001.

See Conn. Agencies Regs. §§12-407(2)(i)(I)-1, *Services to real property* and 12-407(2)(i)(BB)-1, *Services to other than commercial, industrial or income-producing real property*, for related information.

EXTERMINATING

Exterminating services mean services to kill or expel pests.

Materials: The exterminator must pay tax on all purchases of equipment and supplies including but not limited to poisons and traps.

Labor: The exterminator **must charge** tax on the customer's total bill when the service is rendered to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: The service of live trapping a pest and releasing it is **not** a taxable service.

See Conn. Agencies Regs. §12-407(2)(i)(Z)-1, *Exterminating services*, for related information.

FENCING

(See also *LANDSCAPING*)

Materials: The contractor pays tax on all purchases of materials that become part of the fence.

Labor: The contractor **must charge** tax when installing the fence on:

- New construction
- Owner-occupied residential property*

*The installation of any **chainlink** and underground (invisible) fencing on owner-occupied residential property is **not** considered to be a landscaping service and is **not** taxable.

- Existing commercial property
- Existing industrial property
- Existing income-producing property**

**The installation of any fencing used to contain livestock on a farm is taxable under Conn. Gen. Stat. §12-407(2)(i)(I) when rendered to existing industrial, commercial or income-producing real property.

NOTE: The construction, remodeling or repair of fences other than chainlink fencing and any fencing used to contain livestock on a farm is presumed to be a taxable landscaping service until the contrary is established. This presumption may be rebutted only if the contractor clearly establishes that the services rendered are not intended to be landscaping services, such as when an action is mandated by statute. For example, a contractor installing a fence that encloses a swimming pool and that is installed to comply with a law requiring that swimming pools be enclosed may establish that the services rendered are not intended to be landscaping services.

FIRE, WATER AND WIND DAMAGE

(Cleaning, deodorizing and removal of water or debris)

The contractor **must charge** tax on the total bill when this work is rendered to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

For rehabilitation of the structure see *CARPENTRY, ROOFING, PAINTING*, etc. For tree trimming or removal, see *LANDSCAPING*.

See Conn. Agencies Regs. §§12-407(2)(i)(Y)-1, *Janitorial services* for related information.

FIREPLACES

Installation or Repair

(Fireplaces, other than freestanding units)

Materials: The contractor pays tax on all purchases of materials including but not limited to:

bricks *lintels* *dampers*
mantels *fireboxes* *stone*
flues

Labor: The contractor does **not** charge tax when installing, repairing, fixing cracks, or repointing the fireplace in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing, repairing, fixing cracks, or repointing in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

For the tax treatment of fireplace cleaning, see *CHIMNEYS*.

FLOOR COVERINGS

1. Carpet

Permanent Installation (Glued or cemented to the floor)

Materials: Wall-to-wall and other carpet sales are generally services to real property; therefore, the contractor must pay tax on the purchase of the carpet.

Labor: If the carpet is glued or cemented to subflooring, it is considered to be permanently affixed to the structure. The flooring contractor does **not** charge tax when permanently installing carpeting in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when permanently installing the carpet in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Nonpermanent Installation (Tacked or nailed to the floor)

The nonpermanent installation of carpet is not a service to real property. The installer is considered a retailer of carpet and purchases the carpet exempt, by issuing a resale certificate to the carpet wholesaler and collects tax on the sale to the end customer.

Labor: The contractor does **not** charge tax on separately stated nonpermanent installation labor in:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

2. Other Than Carpet

Materials: The contractor pays tax on all purchases of materials including but not limited to:

<i>ceramic tile</i>	<i>terrazzo</i>
<i>concrete</i>	<i>vinyl</i>
<i>linoleum</i>	<i>wood</i>
<i>marble</i>	

Labor: The contractor does **not** charge tax when installing these types of floor coverings in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing these types of floor coverings in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Such services also include all necessary surface and other preparations prior to the actual installation.

FLOOR REFINISHING

Floor refinishing usually involves the following services to wood floors: sanding, removing finishes from existing floors, replacing flooring materials as needed and applying a finishing coat of paint, stain, varnish or sealant. Floor refinishing is **not** considered a painting, staining or varnishing service when provided by a contractor primarily engaged in floor refinishing.

Materials: The contractor pays tax on purchases of all materials that will be used in floor refinishing.

Labor: The floor refinishing contractor does **not** charge tax when refinishing floors in:

- Owner-occupied residential property

The floor refinishing contractor **must charge** tax when refinishing floors in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

FURNACES

(See *HEATING SYSTEMS*)

GARAGE DOORS

Installation And Repairs

Materials: The contractor pays tax on all materials purchased for installing, replacing, or repairing the garage door including but not limited to:

<i>garage doors</i>	<i>tracks</i>
<i>rollers</i>	<i>trim</i>
<i>springs</i>	

Labor: The contractor does **not** charge tax when installing, replacing, or repairing a garage door in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing, replacing, or repairing a garage door in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

GARAGE DOOR OPENERS

Installation

Materials: The contractor must pay tax on the purchase of the electric garage door opener and controls (as a consumer); or

If the contractor is a retailer of electric garage door openers, the contractor may purchase the opener and controls exempt, by issuing a resale certificate to the vendor and collect tax on the sale to the end customer.

Labor: The contractor does **not** charge tax on separately stated labor for installing the electric garage door opener in:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs and Maintenance

The contractor **must charge** tax on:

- The sale or renewal of a repair, maintenance or warranty contract on an electric garage door opener; and
- Repairs to or maintenance of electric garage door openers, except when performed under a service contract and no additional charge is made for the repair.

The contractor purchases integral parts for the electric garage door openers exempt, by issuing a resale certificate to the vendor.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty*.

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when the service is rendered to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

GARBAGE DISPOSALS

Installation

Materials: The contractor pays tax on purchases of all materials that become incorporated into the garbage disposal system.

Labor: The contractor does **not** charge tax when installing the garbage disposal in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing the garbage disposal in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs and Maintenance

The contractor must collect tax on charges for:

- The sale or renewal of a repair, maintenance or warranty contract on a garbage disposal unit; and
- Repair to or maintenance of the garbage disposal, except when performed under a service contract and no additional charge is made for the repair.

The contractor purchases integral parts for the garbage disposal exempt, by issuing a resale certificate to the vendor.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty*.

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when the repair is rendered to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

GAZEBOS

(See *SHEDS AND GAZEBOS*)

HEATING SYSTEMS

Installation

Heating systems include but are not limited to:

coal burning heating systems
electric heating systems (permanently installed)
gas heating systems
heat pump units
hot water heating systems
humidifiers (permanently installed)
oil heating systems
radiant heating systems
solar heating systems
steam heating systems
warm air duct systems
wood burning furnaces (permanently installed)

Materials: The contractor pays tax on all purchases of materials that become part of the heating system, including but not limited to:

furnace *fuel lines*
duct work *oil tanks*
blowers *thermostats*
control devices
hot water heaters
humidifiers (permanently installed)

Labor: The heating contractor does **not** charge tax when installing the heating system in:

- New construction
- Owner-occupied residential property

The heating contractor **must charge** tax when installing the heating system in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs And Maintenance (Excluding duct work)

The contractor must collect tax on the charges for:

- The sale or renewal of a repair, maintenance or warranty contract on the heating system; and

- Repairs to or maintenance of furnaces, oil burners and blowers, except when performed under a service contract and no additional charge is made for the repair.

The contractor purchases integral parts for the furnace, oil burner, and blower exempt, by issuing a resale certificate to the vendor.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty*.

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill for cleaning, maintenance and repairs to the heating system is subject to tax when the service is rendered in:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

For the tax treatment of the cleaning and maintenance of the interior duct work, see the *INTERIOR SHEET METAL* section of this guide.

HOUSE WASHING

(See *MAINTENANCE SERVICES TO REAL PROPERTY*)

HOUSEHOLD APPLIANCES

Repairs and Maintenance

Repairing and maintaining household appliances including but not limited to:

<i>clothes dryers</i>	<i>ovens</i>
<i>dishwashers</i>	<i>ranges</i>
<i>exhaust fans</i>	<i>refrigerators</i>
<i>garbage disposals</i>	<i>washing machines</i>
<i>microwave ovens</i>	

The contractor **must charge** tax for:

- The sale or renewal of a repair, maintenance or warranty contract on any appliance; and
- Repairs to or maintenance of any appliance, except when performed under a service contract and no additional charge is made for the repair.

The contractor purchases integral parts for these appliances exempt, by issuing a resale certificate to the vendor.

See Conn. Agencies Regs. §§12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty*, and 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*, for related information.

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill for repairs and maintenance to household appliances is subject to tax regardless of whether the repair takes place in the home or in a service center.

INTERIOR SHEET METAL

(Duct work)

Installation

Materials: The sheet metal contractor pays tax on all purchases of materials that will become part of the

interior duct work for the heating, air conditioning and ventilation systems.

Labor: The sheet metal contractor does **not** charge tax when installing or repairing the interior duct work in:

- New construction
- Owner-occupied residential property

The sheet metal contractor **must charge** tax when installing or repairing the interior duct work in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs, Cleaning and Maintenance

The contractor does **not** charge tax for cleaning and maintenance of interior duct work when it is performed in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax for the cleaning and maintenance of interior duct work when it is performed in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

JANITORIAL SERVICES

Janitorial services mean cleaning the interior or exterior of buildings, structures or dwellings, whether residential or industrial, commercial or income-producing real property, or the contents thereof. Such services are of the type rendered by a janitor in the regular course of duty, and may be rendered alone or in conjunction with other services. Janitorial services are rendered either on a scheduled, periodic basis or only on a single occasion, such as to a site upon completion of construction or renovation. Janitorial services include but are not limited to:

<i>carpet cleaning</i>	<i>vacuuming</i>
<i>ceiling cleaning</i>	<i>wall cleaning</i>
<i>disinfecting</i>	<i>waxing/polishing of furniture</i>
<i>dusting</i>	<i>woodwork cleaning</i>
<i>emptying waste baskets</i>	
<i>floor cleaning</i>	

See Conn. Agencies Regs. §§12-407(2)(i)(Y)-1, *Janitorial services*, for related information.

Materials: The janitorial service provider pays tax on all purchases of materials including but not limited to cleaning supplies and cleaning solutions.

Labor: The janitorial service provider **must charge** tax when the service is rendered to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

KITCHENS

Installation

Materials: The contractor pays tax on all purchases of materials that will be incorporated into the kitchen including but not limited to:

<i>built-in dishwashers</i>	<i>ducted hoods</i>
<i>built-in microwave ovens</i>	<i>exhaust fans</i>
<i>built-in ranges</i>	<i>faucets</i>
<i>built-in refrigerators</i>	<i>garbage disposals</i>
<i>cabinets*</i>	<i>sinks</i>
<i>counter tops</i>	

* Contractors installing cabinets should obtain a copy of **PS 94(7)**, *Fabrication and Installation of Stock and Custom Cabinets*, to determine the proper tax treatment.

Labor: The contractor does **not** charge tax when installing these items in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing these items in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: The installation of appliances that are not installed into the real property, such as free standing ovens, ranges, refrigerators, washing machines, dryers and microwaves, is considered installation of tangible personal

property. Separately stated charges for the installation of tangible personal property are not subject to tax when these items are installed in:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

LANDSCAPING AND HORTICULTURE SERVICES

These services include but are not limited to the planting of and caring for:

<i>flowers</i>	<i>trees</i>
<i>fruits</i>	<i>vegetables</i>
<i>shrubs</i>	

Landscaping and horticulture services also include services to lawns, such as:

<i>fertilizing</i>	<i>raking</i>
<i>mowing</i>	<i>seeding</i>
<i>mulching</i>	<i>weeding</i>

Also, landscaping and horticulture services include maintenance of exterior or interior plants, such as:

<i>pruning</i>	<i>tree trimming</i>
<i>spraying</i>	<i>other lawn and garden services</i>
<i>tree removal</i>	

The services involved in the construction of the following will also be treated as landscaping services:

<i>irrigation/sprinkler systems</i>
<i>patios (other than poured concrete or asphalt)*</i>
<i>walkways (other than poured concrete or asphalt)*</i>

* The construction of poured concrete or asphalt patios and walkways is treated as a paving service to real property and is not taxable when rendered to new construction (first time paving). However, repairing of pavement and repaving are taxable when rendered to **all** existing real property. See *PAVING*.

The services involved in the construction of:

<i>fences*</i>	<i>ponds</i>
<i>gates</i>	<i>walls</i>

will be treated as landscaping services unless the contrary can be established by the contractor. For example, a service provider installing a fence around a swimming pool in order to comply with a law requiring that swimming pools be enclosed can establish that the services rendered are not landscaping services. Such non-landscaping services are not taxable when rendered on new construction or owner-occupied real property but are taxable if rendered on existing industrial, commercial or income-producing property.

* Except chainlink fencing and fencing to contain animals on a farm; see *FENCING*.

Excavating, land clearing and rough grading services that are rendered as an integral part of a landscaping job are also taxable as landscaping services.

Materials: The landscaper/horticulturist may purchase on a resale basis all the materials that will be physically incorporated in or physically applied to the premises of the service recipient in the delivery of landscaping and horticulture services.

Total Bill: The contractor **must charge** tax on the labor to install and the materials when the service is performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: Landscaping and horticulture services rendered at the residence of a person receiving total disability payments under Social Security are not subject to tax.

See Conn. Agencies Regs. §12-407(2)(i)(V)-1, *Landscaping and horticulture services*, for related information.

LOCKSMITH SERVICES

Locksmith services include repairing, servicing or installing locks and locking devices, whether such locks and locking devices are incorporated into real property (such as a deadbolt lock on a door to a building), or are incorporated into tangible personal property (such as a door lock on an automobile), or are locks separate and

apart from other property (such as padlocks). Locksmith services also include unlocking locks or locking devices when a customer is unable to do so, such as when the key to a motor vehicle is locked inside such vehicle. Locksmith services do not include key making or sales of locks and locking devices, which are taxable as sales of tangible personal property.

Locksmiths can be retailers of both goods and services. When they sell goods at retail, tax must be collected from the customer. The locksmith purchases these goods exempt from sales or use tax by issuing a resale certificate to the locksmith's supplier. Some examples of the products sold by a locksmith include but are not limited to:

<i>door knobs</i>	<i>locks</i>
<i>hinges</i>	<i>safes</i>
<i>keys</i>	

A locksmith **must charge** tax for both goods and services when installing, repairing or servicing locks and locking devices on tangible personal property (e.g., cars and safes).

A locksmith **must charge** tax for both goods and service for installing, repairing or servicing locks and locking devices in:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

See Conn. Agencies Regs. §§12-407(2)(i)(T)-1, *Locksmith services*, and 12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty*.

Any fees, such as "service call" charges, minimum charges, hourly or flat rates, mileage charges, or pickup or delivery charges, are taxable as charges for locksmith services.

NOTE: A general contractor purchasing locksmith services may not issue a resale certificate to the locksmith unless the general contractor's labor is also a service listed as taxable in Conn. Gen. Stat. §12-407(2)(i). The locksmith purchases integral parts exempt, by issuing a resale certificate to the locksmith vendor.

Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to

the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when the repair is rendered to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

MAILBOXES

Permanently Installed

An example of a permanently installed mailbox is one installed on a post with a concrete base.

Materials: The contractor pays tax on all purchases of materials, including but not limited to the mailbox and post.

Labor: The contractor does **not** charge tax when permanently installing the mailbox in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when permanently installing the mailbox in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

MAINTENANCE SERVICES TO REAL PROPERTY

Maintenance services means attending to the upkeep of, caring for or cleaning the exterior or interior of buildings, dwellings, structures and grounds located on any kind of real property. Such services are necessary to sustain or support safe, efficient, continuous use or to keep the real property in good working order by preventing its decline, failure, lapse or deterioration.

Maintenance services include, but are not limited to:

- chimney sweeping*
- cleaning gutters*
- driveway sealing*
- house washing (power washing)*
- pond dredging*
- resurfacing clay tennis courts*
- snow removal*

Materials: The maintenance service provider pays tax on the purchase of all cleaning supplies used in performing the service. The maintenance service provider is considered the consumer of these supplies.

Labor: The maintenance service provider **must charge** tax on the total charge for the service.

NOTE: Maintenance services rendered at the residence of a person receiving total disability payments under Social Security are not subject to tax.

See Conn. Agencies Regs. §§12-407(2)(i)(X)-1, *Maintenance services*, for related information.

MANAGEMENT

Construction Management

Construction managers are usually contracted to oversee the day-to-day operations of all the contractors involved in a construction contract. They verify that all the contractors and subcontractors are performing their services punctually and in accordance with building codes and construction plans.

The construction manager does **not** charge tax when the service is rendered to:

- New construction
- Owner-occupied residential property

The construction manager **must charge** tax when the service is rendered to:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Property Management

A property manager is engaged to oversee the day-to-day operations of real property. This usually encompasses contracting for services that are an integral or inseparable part of the property management service, such as electrical, plumbing, landscaping, snow plowing,

maintenance, janitorial and any other services needed to maintain or repair the property. The property manager is allowed to purchase these services on a resale basis as long as the services will be resold to the property owner. The property manager must charge tax on any of the taxable services resold by the manager. See the specific service in this guide for its proper tax treatment.

The property manager **must charge** tax when rendering management services to:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: The amount charged for the separately stated compensation, fringe benefits, workers' compensation and payroll taxes or assessments paid to or on behalf of an employee of a property management company is not subject to tax if the following three conditions are met, the employee:

- Is employed directly by the property management company; and
- Is doing the work that its employer is obligated to perform under an agreement to manage a client's real property; and
- Works solely for one client at one location.

NOTE: See **SN 93(2)**, *Sales and Use Tax On Charges Made By Service Providers After Air Kaman, Inc. v. Groppo, and 1992 Conn. Pub. Acts 17 (May Spec. Sess.)*, for more detailed information on this subject.

MASONRY

(See **BRICKWORK**)

MOVING A STRUCTURE

Materials: The mover pays tax on all materials used in rendering its service.

Labor: The mover does **not** charge tax when moving:

- Owner-occupied residential property

The mover **must charge** tax when moving:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

PAINTING, STAINING AND VARNISHING

These services include the painting or repainting of all interior and exterior surfaces of real property for decoration, protection or preservation purposes. Also included is all line painting on paved surfaces such as parking lots and tennis courts but excluding line painting on paved surfaces of public rights-of-way.

Such services also include all necessary surface and other preparations prior to the actual painting, where performed as part of the entire job, such as:

<i>applying sealants</i>	<i>sanding</i>
<i>applying waterproofing</i>	<i>spackling</i>
<i>or other protective finish</i>	<i>taping</i>
<i>planing</i>	
<i>puttying</i>	

Materials: The painting contractor pays tax on all purchases of materials, including but not limited to:

- paint*
- putty*
- sealants*
- spackling compound*
- tape*

Labor: The painting contractor does **not** charge tax when rendering painting services to:

- New construction

The painting contractor **must charge** tax when rendering painting services to:

- Existing commercial property
- Existing industrial property
- Existing income-producing property
- Owner-occupied residential property *

* Only at the reduced rate (see Page 13). Not taxable on or after July 1, 2001.

NOTE: Floor refinishing is **not** considered a painting, staining or varnishing service when provided by a contractor primarily engaged in floor refinishing, even if the floor refinishing culminates in the application of a finish coat or paint, stain, varnish or other sealant. See **FLOOR REFINISHING**, for further information.

See Conn. Agencies Regs. §§12-407(2)(i)(I)-1, *Services to real property*, and 12-407(2)(i)(BB)-1, *Services to other than commercial, industrial or income-producing real property*, for related information.

PATIO

(See *LANDSCAPING*)

PAVING

Paving involves covering the ground with a hard smooth surface such as:

<i>asphalt</i>	<i>macadam</i>
<i>poured concrete</i>	<i>tar</i>

Paving includes the replacement of sections or the complete repaving of:

<i>basketball courts</i>	<i>tennis courts</i>
<i>driveways</i>	<i>walks</i>
<i>parking areas</i>	

Paving services also include all preparatory work, where performed as part of the entire job, as well as the subsequent sealing or dressing of the pavement. Paving does not include covering driveways, parking areas and walks with materials such as crushed stone, crushed stone with oil, or gravel.

Initial Installation

Materials: The paving contractor pays tax on all purchases of materials including:

<i>asphalt</i>	<i>macadam</i>
<i>concrete</i>	<i>tar</i>

Labor: The contractor does **not** charge tax when a driveway, parking lot or walk is paved for the first time. Therefore, if the contractor is putting in a driveway, parking lot or walkway at a new construction site or paving for the first time an existing driveway, parking lot or walkway that was originally constructed of dirt, loose stone or gravel, the labor is **not** subject to tax on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairing or Replacing (An existing paved driveway, parking lot or walkway)

Materials: The paving contractor pays tax on all materials purchased to repair or replace an existing paved driveway, parking lot, walkway, basketball court or tennis court.

Labor: The contractor **must charge** tax on the labor to repair or replace existing pavement on:

- New construction
- Existing commercial property
- Existing industrial property
- Existing income-producing property
- Owner-occupied residential property*

* Only at the reduced rate (see Page 13). Not taxable on or after July 1, 2001.

PEST CONTROL

(See *EXTERMINATING*)

PLUMBING

Plumbing includes but is not limited to installation or replacement of:

pipng systems
shower stalls
sinks and necessary sink fixtures
toilets and necessary toilet fixtures
tubs and necessary fixtures
tub enclosures

Plumbing also includes:

fixing leaking pipes
unclogging drains
thawing frozen pipes
repairing sinks, toilets, and tubs

Materials: The plumbing contractor pays tax on all purchases of materials including but not limited to:

<i>faucets</i>	<i>sinks</i>
<i>pipe</i>	<i>toilets</i>
<i>shower stalls</i>	<i>tubs</i>
<i>shower heads</i>	

Labor: The plumbing contractor does **not** charge tax when performing plumbing services in:

- New construction
- Owner-occupied residential property

The plumbing contractor **must charge** tax when performing plumbing services in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: Plumbing contractors who perform repair and maintenance services to heating and air conditioning units, garbage disposals, sump pumps and well pumps should consult the appropriate sections of this guide for the proper tax treatment.

POWER WASHING

(See *MAINTENANCE SERVICES TO REAL PROPERTY*)

PROTECTION, PATROL WORK AND WATCHMAN SERVICES

Protection, patrol work and watchman services include but are not limited to guarding and patrolling construction sites and directing traffic at construction sites. These services are generally taxable. However, if they are provided directly to customers by off-duty police officers and fire fighters, and the services, by their nature, can only be provided by licensed police officers and firefighters, the services are not taxable.

Materials: The protection, patrol work or watchman contractor pays tax on all purchases of materials and equipment that will be used to perform the services.

Labor: The protection, patrol work and watchman contractor **must charge** tax when performing services to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: Protection, patrol work and watchman services may be purchased on resale by a contractor that is providing services that are listed as taxable in Conn. Gen.

Stat. §12-407(2)(i), to existing commercial, industrial or income-producing property, or landscaping services to any type of property.

REFUSE REMOVAL

Materials: The refuse removal company pays tax on all materials used in rendering its service. Garbage cans, containers and dumpsters that are the property of the refuse removal company cannot be purchased on a resale basis. The refuse removal company is the consumer of these items and must pay tax on them, even though the refuse removal company may bill the customer for “rental” of a container.

See **PS 94(6)**, *Refuse Removal Companies*, for further information.

Labor: The refuse removal company does **not** charge tax to the customer for refuse removal services rendered to:

- New construction
- Owner-occupied residential property

The refuse removal company **must charge** tax to the customer for refuse removal services, including charges for hauling, container or dumpster rental, or dumping fees rendered to:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: Refuse removal services for construction sites may be purchased on resale by a contractor that is providing services that are listed as taxable in Conn. Gen. Stat. §12-407(2)(i), to existing commercial, industrial or income-producing property.

Services to industrial, commercial or income-producing real property, rendered in the voluntary evaluation, prevention, treatment, containment or removal of hazardous waste, or other contaminants of air, water or soil are not taxable. Obtain a copy of **SN 95(17)**, *Certain Environmental Services Excluded from Sales & Use Taxes*, for further information.

ROOFING

Initial Installation (New construction)

Materials: The roofing contractor pays tax on all materials which are incorporated into the roof, including but not limited to:

<i>asphalt</i>	<i>slate</i>	<i>metal</i>
<i>tile</i>	<i>shingles</i>	<i>wood</i>

Labor: The roofing contractor does **not** charge tax when the initial roof is installed on:

- New construction

Installing, Repairing and Replacing (Existing real property)

Roofing services include the replacement of part of a roof, the replacement of an entire roof, and the repair of a roof, and include all work performed in preparation for roofing, when performed as part of an entire job.

The services also include the replacement of roof rafters, their plywood, wood or other covering, ventilation work, expansion joints, flashings, gutters, metal or composition valleys, rain and draft deflectors, drip edges, snow guards and snow slides.

Roofing does not include the initial installation of new gutters or the replacement of old gutters on existing real property, the repair or cleaning of chimneys, the cleaning of all types of roof systems such as gutters, downspouts and drains, and the repair or replacement of items such as copings, cornices, electric heating tape, gravel stops and fascias, gutters and downspouts, heating cables, louvers and screens, metal ornaments, metal stacks and skylights. However, some of these services, such as cleaning chimneys, gutters, downspouts and drains, are taxable as maintenance services to real property. See *MAINTENANCE TO REAL PROPERTY*.

Materials: The roofing contractor pays tax on all purchases of materials that will be incorporated into the job.

Labor: The roofing contractor **must charge** tax when installing the roofing on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property
- Owner-occupied residential property*

* Only at the reduced rate (see Page 13). Not taxable on or after July 1, 2001.

See Conn. Agencies Regs. §§12-407(2)(i)(I)-1, *Services to real property*, 12-407(2)(i)(X)-1, *Maintenance services*, and 12-407(2)(i)(BB)-1, *Services to other than industrial, commercial or income-producing real property*, for related information.

SANDBLASTING

Materials: The contractor pays tax on all purchases of materials consumed in rendering sandblasting services.

Labor: The contractor does **not** charge tax when sandblasting on:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when sandblasting on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

SEPTIC SYSTEMS

Installation

Installation of septic systems includes, but is not limited to installation of:

<i>distribution boxes</i>	<i>lines and pipes</i>
<i>dry wells</i>	<i>seepage pits</i>
<i>grease traps</i>	<i>septic tanks</i>
<i>leach fields</i>	

Materials: The contractor pays sales or use tax on all purchases of materials which become part of the septic system.

Labor: The contractor does **not** charge tax on the installation of a septic system in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax on the installation of a septic system in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: Taxation of the services of repairing or replacing the septic system follows the rules for installation.

SEPTIC SYSTEM CLEANING

Septic system cleaning includes, but is not limited to:

- clearing septic lines*
- pumping cesspools*
- pumping dry wells*
- pumping septic tanks*

The contractor does **not** charge tax on septic system cleaning when it is rendered to:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax on septic system cleaning when it is rendered to:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

SHEDS AND GAZEBOS

Prefabricated

A retailer of prefabricated sheds or gazebos is considered to be selling tangible personal property.

See *TEMPORARY SHEDS AND BUILDINGS* on Page 11.

The manufacturer can purchase lumber and materials for the sheds or gazebos exempt, by using a resale certificate. The retailer of prefabricated sheds or gazebos **must charge** tax on the completed units.

Separately stated charges for installing prefabricated sheds or gazebos **are not** subject to tax when the sheds or gazebos are placed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

Constructed on Site

A contractor that builds a shed or gazebo on the customer's site is performing a service to real property.

Materials: The contractor pays tax on all purchases of materials, including but not limited to lumber and building supplies, concrete or wiring.

Labor: The contractor does **not** charge tax when constructing a new shed or gazebo on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs and Maintenance

The contractor **must charge** tax when repairing or renovating a shed or gazebo on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: In general, a contractor does not charge tax when repairing or renovating sheds or gazebos on:

- New construction
- Owner-occupied residential property

However, certain repairs to sheds and gazebos on owner-occupied residential property are taxable at reduced rates. For further information see Page 13.

SHEET METAL

(See *INTERIOR* or *EXTERIOR SHEET METAL WORK*)

SIDING

Initial Installation (New construction)

Materials: The contractor pays tax on all purchases of siding materials, including but not limited to:

- | | |
|--|-----------------|
| <i>aluminum siding</i> | <i>shingles</i> |
| <i>brickface</i> | <i>stucco</i> |
| <i>clapboards</i> | <i>vinyl</i> |
| <i>shakes and other wood coverings</i> | |

Labor: The siding contractor does **not** charge tax when installing siding on new construction.

Installing, Repairing and Replacing (Existing real property)

Siding services include the replacement or repair of an outside wall or wall covering, such as insulated board or plywood sheathing, done in connection with siding. Siding services also include all the work performed in preparation for siding, when performed as part of the entire job.

Materials: The siding contractor pays tax on all purchases of materials that will be incorporated into the job.

Labor: The siding contractor **must charge** tax when installing the siding on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property
- Owner-occupied residential property*

* Only at the reduced rate (see Page 13). Not taxable on or after July 1, 2001.

See Conn. Agencies Regs. §§12-407(2)(i)(I)-1, *Services to Real Property*, and 12-407(2)(i)(BB)-1, *Services to Other Than Industrial, Commercial or Income-producing Real Property*, for related information.

SIGNS

Permanently Installed

Permanently installed signs are signs that become affixed to real property, including but not limited to electrically lighted signs bolted to the fronts of buildings, signs installed on concrete bases and poles, and construction of billboards (not including the advertising placed on them).

Materials: The contractor pays tax on all purchases of materials, including but not limited to the sign, concrete, wiring, lumber and building supplies.

Labor: The contractor does **not** charge tax when permanently installing the sign on:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when permanently installing the sign on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: Examples of signs **not** permanently installed include but are not limited to real estate for-sale signs placed temporarily in the ground, easily movable free standing signs and business signs placed in store windows. Signs that are **not** permanently installed are tangible personal property. Charges for the installation of such signs are not taxable if separately stated.

SIGN PAINTING AND LETTERING SERVICES

Sign painting and lettering services include painting and lettering of indoor or outdoor signs, painting and lettering of names, trademarks or logos on store fronts, buildings, billboards, motor vehicles, concrete and marble. These services are generally performed on real property, tangible personal property owned by the customer or on signs provided by the customer.

Materials: The sign painter pays tax on all purchases of materials.

The total bill is subject to tax when the service is rendered to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: The manufacture and sale of a separate sign by a company that does not install the sign is not a painting and lettering service or service to real property, but the sale of tangible personal property. See *TANGIBLE PERSONAL PROPERTY* on Page 11.

SILT FENCING

Silt fencing is installed around a construction site as an erosion control measure. When the construction is complete, the silt fencing is removed.

Materials: The silt fencing contractor pays tax on all purchases of materials.

Labor: The contractor does **not** charge tax when installing the silt fence on:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing the silt fence on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

SNOW PLOWING/REMOVAL

(See *MAINTENANCE SERVICES TO REAL PROPERTY*)

STAINING

(See *PAINTING, STAINING AND VARNISHING*)

STRUCTURAL INSPECTION

The contractor does **not** charge tax when rendering structural inspection services to:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when rendering structural inspection services to:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

SUMP PUMPS

Permanent Installation

Materials: The contractor pays tax on all purchases of materials including but not limited to the pipe, the pump unit and shutoff switches.

Labor: The contractor does **not** charge tax when permanently installing a sump pump in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when permanently installing a sump pump in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs and Maintenance

The contractor **must charge** tax on:

- The sale or renewal of a repair, maintenance or warranty contract on the sump pump system; and
- Repairs to or maintenance of the sump pump, except when performed under a service contract and no additional charge is made for the repair.

The repair contractor purchases integral parts for the sump pump system exempt, by issuing a resale certificate to the contractor's vendor.

These parts include, but are not limited to:

<i>connectors</i>	<i>pipes</i>
<i>electrical cords</i>	<i>pump suction heads</i>
<i>floats</i>	<i>and shutoff switches</i>
<i>motors</i>	

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty.*

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when services to the sump pump are performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

IMPORTANT: Taxation of the service of repairing the piping part of the sump pump system follows the rules for installation.

SWIMMING POOLS

Installation Of Above Ground Pools

The installation of an above ground pool is not a service to real property. The installer is considered a retailer of swimming pool kits and purchases all materials exempt, by issuing a resale certificate to the contractor's supplier. The installer collects tax on the sale to the end customer.

Labor: The contractor does **not** charge tax on separately stated installation labor when installing the above ground pool on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs to Above Ground Pools

Repairs include, but are not limited to, replacing a ripped lining or repairing the vinyl, aluminum or wood frame of the pool.

The pool contractor purchases integral parts for the above ground pool exempt, by issuing a resale certificate to the contractor's supplier.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when the above ground pool repair is performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

Installation Of In Ground Pools

Materials: The contractor pays tax on all purchases of materials which will be incorporated into the swimming pool including but not limited to:

<i>built-in lights</i>	<i>lumber</i>
<i>cement</i>	<i>pipes</i>
<i>filters</i>	<i>swimming pool kits</i>
<i>gravel</i>	<i>tile</i>
<i>liners</i>	

Labor: The contractor does **not** charge tax when constructing the original pool in:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

The installation of an in ground pool is considered a *site improvement* which puts the property affected to a new use. Therefore, the original construction of a pool, where a pool never existed before, is considered a new construction contract.

Repairs To In Ground Pools

Repairs to in ground pools include but are not limited to filling in cracks in the cement, replacing broken tiles, replacing or patching ripped linings and replacing built-in lighting fixtures.

Materials: The contractor pays tax on all purchases of materials used in repairing the in ground pool, including but not limited to:

<i>cement</i>	<i>vinyl lining</i>
<i>tile</i>	

Labor: The contractor does **not** charge tax when repairing or renovating an in ground pool built on:

- Owner-occupied residential property

The contractor **must charge** tax when repairing or renovating an in ground pool built on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Cleaning And Maintenance To Both Above Ground And In Ground Pools

Swimming pool cleaning and maintenance services include but are not limited to:

chemically treating the pool
chlorinating the pool
opening the pool for the season
"shock" treatment
skimming the pool
vacuuming the pool
winterizing the pool

Materials: The swimming pool cleaning and maintenance contractor pays tax on all purchases of materials that will be used in cleaning or maintaining pools.

Labor: The contractor **must charge** tax when performing swimming pool cleaning and maintenance services to:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

See Conn. Agencies Regs. §12-407(2)(i)(AA)-1, *Swimming pool cleaning and maintenance services*, for related information.

Repairs To Pool Filters

The contractor **must charge** tax on the charges for:

- The sale or renewal of a repair, maintenance or warranty contract on the filter; and
- Repairs to or maintenance of the filter, except when performed under a service contract and no additional charge is made for this repair.

The contractor purchases integral parts for the filter exempt, by issuing a resale certificate to the contractor's supplier.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty*.

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill for maintenance and repairs to the filter is subject to tax when these services are rendered on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

TELEPHONE AND COMPUTER CABLE OR WIRING

Permanent Installation

Permanently installed means that the cable or wire is built into the real property.

Materials: The contractor pays tax on all purchases of material including but not limited to the cable or wire and wall outlets.

Labor: The contractor does **not** charge tax when permanently installing cable or wiring in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when permanently installing cable or wiring in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

TESTING FOR CONTAMINANTS

Testing for the presence of contaminants such as radon, asbestos and lead is **not** subject to tax when performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

VENTILATION SYSTEMS

Installation

Ventilation systems include, but are not limited to:

attic fans *roof vents*
exhaust fans

Materials: The contractor pays tax on all purchases of materials including but not limited to:

duct work *shutters*
electrical switches *fan units*

The contractor **must charge** tax when installing, insulating or repairing walls in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: If the wall will be painted or wallpapered, refer to the appropriate section of this guide for the proper tax treatment.

WATER HEATERS

Installation

Materials: The contractor pays tax on the hot water heater, piping and on all materials used in the installation.

Labor to Install: The contractor does **not** charge tax when installing the hot water heater in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing the water heating system in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs and Maintenance

The contractor **must charge** tax for:

- The sale or renewal of a repair, maintenance or warranty contract on the hot water heater; and
- Repairs to or maintenance of the hot water heater, except when performed under a service contract and no additional charge is made for the repair.

The contractor purchases integral parts for the hot water heater exempt, by issuing a resale certificate to the vendor.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty.*

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill for cleaning, maintenance and repairs to the hot water heater is subject to tax when the repair is rendered in:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

WELDING

A welder may operate as a contractor, repairer of tangible personal property or a retailer of fabrication labor. A welder performing services to real property is operating as a contractor.

Welder As Contractor

Materials: The welder pays tax on all purchases of materials including but not limited to welding rods and solder.

Labor: The welder does **not** charge tax when welding services are performed on:

- New construction
- Owner-occupied residential property*

* Except if welding exterior sheet metal, when it is taxable, only at the reduced rate (see Page 13). Not taxable on or after July 1, 2001. See also *EXTERIOR SHEET METAL*

The welder **must charge** tax when welding services are performed on:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Welder as Repairer of Tangible Personal Property

The welder purchases integral parts exempt, by issuing a resale certificate to the contractor's supplier.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill for welding repairs to tangible personal property is subject to tax.

Welder as Retailer of Fabrication Labor

Materials: The welder purchases materials that will be incorporated into the finished product exempt, by issuing a resale certificate to the contractor's supplier.

Fabrication Labor: Fabrication labor is the labor that is required to modify or assemble materials to produce a complete finished product.

The total bill for fabricating a finished product is subject to tax.

NOTE: There are special rules for welding as part of the manufacturing process. For further information, see **SN 93(1.1), The Manufacturing Recovery Act of 1992 Exemption for Purchases of Property Used In Manufacturing, Processing and Fabricating.**

WELLS AND PUMPS

Installation

Materials: The contractor pays tax on all purchases of materials including but not limited to:

filters
pipe
well pumps

Labor: The contractor does **not** charge tax when installing the well in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing the well in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

Repairs and Maintenance of Pumps

The contractor must charge tax for:

- The sale or renewal of a repair, maintenance or warranty contract on the well pump; and
- Repairs to or maintenance of the well pump, except when performed under a service contract and no additional charge is made for the repair.

The contractor purchases integral parts for the well pump exempt from sales or use tax by issuing a resale certificate to the vendor.

See Conn. Agencies Regs. §12-407(2)(i)(DD)-1, *Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty.*

NOTE: Integral parts purchased for use in performing services under a **maintenance, repair or warranty contract** may be purchased on resale and are not subject to tax unless a charge for the parts is made by the contractor to the customer. **Integral part** means a part that retains its separate identity even after being incorporated into the repaired item.

The bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill for cleaning, maintenance and repairs to the well pump is subject to tax when the repair is rendered in:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

WINDOWS

Installation and Replacement

Materials: The contractor pays tax on all purchases of materials, including but not limited to the window, the frame, putty, caulking and all the accompanying hardware.

Labor: The contractor does **not** charge tax when installing or replacing windows in:

- New construction
- Owner-occupied residential property

The contractor **must charge** tax when installing or replacing windows in:

- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: For painting windows, see *PAINTING, STAINING AND VARNISHING*.

WINDOW CLEANING

Window cleaning services means cleaning windows and exterior and interior glass, when rendered to any real property.

The window cleaner pays tax on the purchase of all cleaning supplies. The window cleaner **must charge** tax on the total charge for window cleaning when the service is performed on:

- New construction
- Owner-occupied residential property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

NOTE: Window cleaning services rendered at the residence of a person receiving total disability payments under Social Security are not subject to tax.

See Conn. Agencies Regs. §§12-407(2)(i)(W)-1, *Window cleaning services*, for related information.

Appendix

notes

**The Facts For Example 1
Are As Follows:**

- This is a taxable renovation to commercial property.
- Tax is paid by the contractors on materials at the time of purchase. (All materials for this job are purchased by the subcontractors.)
- Subcontractors accept resale certificates for the service portion of the bill from the general contractor.
- The general contractor will charge the property owner 6% tax on the service portion of the contract.

SUBCONTRACTOR:

**"THE CARPENTER" BILLS THE GENERAL
\$70,000.00**

materials purchased	\$47,169.81
tax paid by sub	<u>\$ 2,830.19</u>
total materials cost	\$50,000.00
sub's charge for service	<u>\$20,000.00</u>
total	\$70,000.00

SUBCONTRACTOR:

"THE PLUMBER" BILLS THE GENERAL \$10,000.00

materials purchased	\$ 4,716.98
tax paid by sub	<u>\$ 283.02</u>
total materials cost	\$ 5,000.00
sub's charge for service	<u>\$ 5,000.00</u>
total	\$10,000.00

EXAMPLE 1

General contractor bills owner by separately stating the charges for taxable service and the tax thereon. Resale certificates issued by general contractor to subcontractors for taxable services.

SUBCONTRACTOR:

"THE ELECTRICIAN" BILLS THE GENERAL \$10,000.00

materials purchased	\$4,716.98
tax paid by sub	<u>\$ 283.02</u>
total materials cost	\$ 5,000.00
sub's charge for service	<u>\$ 5,000.00</u>
total	\$10,000.00

**BREAKDOWN OF GENERAL
CONTRACTOR'S BOOKS:**

MATERIALS:

Plumber	\$ 5,000.00*
Carpenter	\$50,000.00*
Electrician	\$ 5,000.00*
<u>Total</u>	<u>\$60,000.00</u>

* Includes tax paid by the subcontractors to their vendors

SERVICE:**

Plumber	\$ 5,000.00
Carpenter	\$20,000.00
Electrician	\$ 5,000.00
General Contractor	\$10,000.00
<u>Total Service</u>	<u>\$40,000.00</u>

** NOTE: See Page 13 for definition of **SERVICE.**

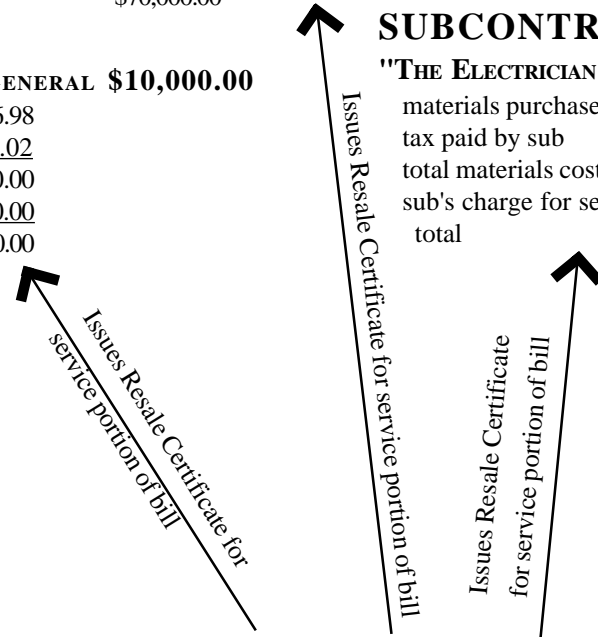
Sales Tax on Service \$ 2,400.00

Grand Total: \$102,400.00

**GENERAL CONTRACTOR
Bills Property Owner**

\$100,000.00 plus tax

\$ 60,000.00	materials (tax paid by subcontractors)
\$ 40,000.00	service
\$ 2,400.00	tax on service
<u>\$102,400.00</u>	<u>Total billed to property owner</u>



**SALES AND USE TAX RETURN
 FORM OS-114**

General Instructions

1. A RETURN MUST BE FILED even if no tax is due or no sales were made.
2. DUE DATE:
Return is due one month after period ending. Return must be postmarked on or before the due date.
3. DEDUCTIONS: Fill out reverse side of this form if you claim deductions.
4. INTEREST: For late payment - 1% of tax due per month from due date.
5. PENALTY: For failure to pay tax when due - 15% of tax due or \$50, whichever is greater.
6. NEW OWNERS: Do not use previous owner's form to file your return. Any change in ownership requires a new permit.
7. Make check payable to: *COMMISSIONER OF REVENUE SERVICES.*
(Be sure to include the Tax Registration Number on your check.)
FOR COMPLETE INSTRUCTIONS SEE FORM O-88.

For Period Ending
Connecticut Tax Registration Number

For Department Use Only

Please enter any changes to your name or address below.

New Trade Name:
New Mailing Address:
<input type="checkbox"/> <i>Please check if change applies to both mailing and physical address.</i>
New Physical Location (P.O. Box Not Acceptable)

EXAMPLE 1

(GENERAL CONTRACTOR'S RETURN)

1	Gross receipts from sales of goods	▶			
2	Gross receipts from leases and rentals	▶	2		
3	Gross receipts from labor and services	▶		100,000	00
4	Purchases of goods by your business subject to use tax	▶	4		
5	Leases and rentals by your business subject to use tax	▶	5		
6	Purchases of services by your business subject to use tax	▶	6		
7	Total: Add Lines 1 through 6	▶	7	100,000	00
8	Total deductions: <i>Please complete reverse side, enter amount from Total Deductions here.</i>	▶	8	60,000	00
9	Balance subject to tax: <i>Subtract Line 8 from Line 7, but not less than zero</i>	▶	9	40,000	00
10	Gross amount of tax due: <i>Multiply Line 9 by 6% (.06)</i>	▶	10	2,400	00
11	Credits: <i>See Form O-88, instructions</i>	▶	11		
12	Net amount of tax due: <i>Subtract Line 11 from Line 10</i>	▶	12	2,400	00
13	For late payment of tax: <i>See General Instructions</i> Interest ▶ _____ + Penalty ▶ _____ =	▶	13		
14	Total amount due: <i>Add Line 12 and Line 13</i>	▶	14	2,400	00

Please Complete Items Below

If this return is not for a full period, enter dates covered: From: _____ To: _____

If this business has changed ownership since your last return, enter name and address of new owners and date sold:
 Name: _____ Address: _____ Date Sold: _____

If this is your first return, please enter business starting date: _____ If you are out of business, please enter last business date: _____

I declare under the penalty of false statement that I have examined this return and to the best of my knowledge and belief, it is true, complete and correct.
 (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars, or both.)

Taxpayer's Signature	Title	Date
Paid Preparer's Signature	Paid Preparer's Address	Date

Deductible Items at 6% Tax Rate

Missing line numbers reflect changes in tax exemptions

15	Sales for resale - sales of goods	▶	15		
16	Sales for resale - leases and rentals	▶	16		
17	Sales for resale - labor and services	▶	17		
18	All newspapers and subscription sales of magazines and puzzle magazines	▶	18		
19	Trucks with gross vehicle weight rating over 26,000 lbs. or used exclusively for carriage of interstate freight	▶	19		
21	Food for human consumption, sold through vending machines and any items purchased with food stamps	▶	21		
23	Fuel for motor vehicles	▶	23		
24	Sales of electricity, gas and heating fuel for residential dwellings	FOR UTILITY AND	▶	24	
25	Sales of electricity - \$150 monthly charge per business	HEATING FUEL COMPANIES	▶	25	
26	Sales of electricity, gas and heating fuel for manufacturing or agricultural production	ONLY	▶	26	
27	Aviation fuel	▶	27		
29	Tangible personal property to persons issued Farmer Tax Exemption Permit	▶	29		
30	Machinery, its replacement, repair, component and enhancement parts, materials, tools and fuel for manufacturing	▶	30		
31	Machinery, materials, tools and equipment used in commercial printing process or publishing	▶	31		
32	Machinery, materials, tools and fuel for commercial fishing	▶	32		
33	Out-of-state - sales of goods	▶	33		
34	Out-of-state - leases and rentals	▶	34		
35	Out-of-state - labor and services	▶	35		
36	Motor vehicles or vessels purchased by nonresidents (Attach CERT-125 to OS-114)	▶	36		
37	Prescription medicines - sales of goods	▶	37		
38	Nonprescription medicines and diabetic equipment - sales of goods	▶	38		
39	Charitable or religious organizations - sales of goods	▶	39		
40	Charitable or religious organizations - leases and rentals	▶	40		
41	Charitable or religious organizations - labor and services	▶	41		
42	Federal, Connecticut or municipal agencies - sales of goods	▶	42		
43	Federal, Connecticut or municipal agencies - leases and rentals	▶	43		
44	Federal, Connecticut or municipal agencies - labor and services	▶	44		
45	Items certified for air or water pollution abatement - sales, leases and rentals of goods	▶	45		
47	Nontaxable labor and services	▶	47		
48	Services between wholly owned business entities (See instructions, Form O-88)	▶	48		
50	Trade-ins of all like-kind tangible personal property (See instructions, Form O-88)	▶	50		
52	Taxed goods returned within 90 days at 6% (.06) rate	▶	52		
56	Oxygen, blood plasma, prostheses, etc. sales, leases, rentals or repair services of goods	▶	56		
58	Printed material for future delivery out of state	▶	58		
59	Articles of clothing or footwear under \$50	▶	59		
60	Material and components for noncommercial production of clothing	▶	60		
63	Funeral expenses	▶	63		
69	Repair services, repair and maintenance parts for aircraft and certain aircraft (See instructions, Form O-88)	▶	69		
71	Certain machinery under the Manufacturing Recovery Act of 1992 (See instructions, Form O-88)	▶	71		
72	Machinery, equipment, tools, supplies and fuel used in the biotechnology industry	▶	72		
73	Repair and maintenance services and fabrication labor to vessels (See instructions, Form O-88)	▶	73		
74	Computer and data processing services (See instructions, Form O-88)	▶	74		
75	Renovation and repair services to residential real property (See instructions, Form O-88)	▶	75		
76	Patient care services by hospitals (See instructions, Form O-88)	▶	76		
77	Sales to direct payment permit holders	▶	77		
A	Other Adjustments - sales of goods (Describe: Materials consumed including tax paid)	▶	A	60,000	00
B	Other Adjustments - leases and rentals (Describe:)	▶	B		
C	Other Adjustments - labor and services (Describe:)	▶	C		
NOTE: Line 20 is now part of Line 19; Line 22 is now part of Line 21; Line 46 is now part of Line 45; Line 49 is now part of Line 36; Line 57 is now part of Line 56; Line 64 is now part of Line 30.					
Computer and data processing services and renovation and repair services to residential real property are being phased out. (See instructions, Form O-88)					
TOTAL DEDUCTIONS (Enter here and on Line 8 on the front of this return)				60,000	00

notes

The Facts For Example 2 Are As Follows:

- This is a taxable renovation to commercial property.
- Tax is paid by the contractors on materials at the time of purchase. (All materials for this job are purchased by the subcontractors.)
- No resale certificates are issued to or accepted by the subcontractors.
- The general contractor will charge 6% tax on only his charge for service because he already paid tax on the subcontractors' services.

SUBCONTRACTOR:

**"THE PLUMBER" BILLS THE GENERAL
\$10,000.00 Plus Tax**

Breakdown of subcontractor's books:

materials purchased	\$ 4,716.98
tax paid by sub	<u>\$ 283.02</u>
total materials cost	\$ 5,000.00
sub's charge for service	\$ 5,000.00
6% tax on service	<u>\$ 300.00</u>
Total	\$10,300.00

BREAKDOWN OF GENERAL CONTRACTOR'S BOOKS:

CONTRACT PRICE : \$100,000.00

SUBCONTRACTS:

Plumber	\$ 10,300.00
Carpenter	\$ 71,200.00
Electrician	<u>\$ 10,300.00</u>

Total sub cost \$ 91,800.00

General Contractor's Service*: \$ 8,200.00

Sales Tax : \$ 492.00

Grand Total: \$100,492.00

* NOTE: See Page 13 for definition of SERVICE.

SUBCONTRACTOR:

**"THE CARPENTER" BILLS THE GENERAL
\$70,000.00 Plus Tax**

Breakdown of subcontractor's books:

materials purchased	\$47,169.81
tax paid by sub	<u>\$ 2,830.19</u>
total materials cost	\$50,000.00
sub's charge for service	\$20,000.00
6% tax on service	<u>\$ 1,200.00</u>
Total	\$71,200.00

EXAMPLE 2

General contractor bills owner by separately stating the charges for taxable service and the tax thereon. No resale certificates issued by general contractor to subcontractors for taxable services.

SUBCONTRACTOR:

**"THE ELECTRICIAN" BILLS THE GENERAL
\$10,000.00 Plus Tax**

Breakdown of subcontractor's books:

materials purchased	\$ 4,716.98
tax paid by sub	<u>\$ 283.02</u>
total materials cost	\$ 5,000.00
sub's charge for service	\$ 5,000.00
6% tax on service	<u>\$ 300.00</u>
Total	\$10,300.00

Subcontractor collects tax from General Contractor on the service portion of the bill

Subcontractor collects tax from General Contractor on the service portion of the bill

Subcontractor collects tax from General Contractor on the service portion of the bill

GENERAL CONTRACTOR

Bills Property Owner

\$100,000.00 plus tax

\$ 60,000.00	subcontractor's materials (tax paid)
\$ 31,800.00	subcontractor's service (tax paid)
\$ 8,200.00	general contractor's service
<u>\$ 492.00</u>	tax on general contractor's service
\$100,492.00	Total bill to property owner

**SALES AND USE TAX RETURN
 FORM OS-114**

General Instructions

1. A RETURN MUST BE FILED even if no tax is due or no sales were made.
2. DUE DATE:
Return is due one month after period ending. Return must be postmarked on or before the due date.
3. DEDUCTIONS: Fill out reverse side of this form if you claim deductions.
4. INTEREST: For late payment - 1% of tax due per month from due date.
5. PENALTY: For failure to pay tax when due - 15% of tax due or \$50, whichever is greater.
6. NEW OWNERS: Do not use previous owner's form to file your return. Any change in ownership requires a new permit.
7. Make check payable to: *COMMISSIONER OF REVENUE SERVICES.*
(Be sure to include the Tax Registration Number on your check.)
FOR COMPLETE INSTRUCTIONS SEE **FORM O-88.**

For Department Use Only

For Period Ending
Connecticut Tax Registration Number

Please enter any changes to your name or address below.

New Trade Name:
New Mailing Address:
<input type="checkbox"/> <i>Please check if change applies to both mailing and physical address.</i>
New Physical Location (P.O. Box Not Acceptable)

EXAMPLE 2

(GENERAL CONTRACTOR'S RETURN)

1	Gross receipts from sales of goods	▶ 1		
2	Gross receipts from leases and rentals	▶ 2		
3	Gross receipts from labor and services	▶ 3	100,000	00
4	Purchases of goods by your business subject to use tax	▶ 4		
5	Leases and rentals by your business subject to use tax	▶ 5		
6	Purchases of services by your business subject to use tax	▶ 6		
7	Total: <i>Add Lines 1 through 6</i>	▶ 7	100,000	00
8	Total deductions: <i>Please complete reverse side, enter amount from Total Deductions here.</i>	▶ 8	91,800	00
9	Balance subject to tax: <i>Subtract Line 8 from Line 7, but not less than zero</i>	▶ 9	8,200	00
10	Gross amount of tax due: <i>Multiply Line 9 by 6% (.06)</i>	▶ 10	492	00
11	Credits: <i>See Form O-100 Instructions</i>	▶ 11		
12	Net amount of tax due: <i>Subtract Line 11 from Line 10</i>	▶ 12	492	00
13	For late payment of tax: <i>See General Instructions</i> Interest ▶ _____ + Penalty ▶ _____ =	▶ 13		
14	Total amount due: <i>Add Line 12 and Line 13</i>	▶ 14	492	00

Please Complete Items Below

If this return is not for a full period, enter dates covered: From: _____ To: _____		
If this business has changed ownership since your last return, enter name and address of new owners and date sold:		
Name: _____	Address: _____	Date Sold: _____
If this is your first return, please enter business starting date: _____	If you are out of business, please enter last business date: _____	
I declare under the penalty of false statement that I have examined this return and to the best of my knowledge and belief, it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars, or both.)		
Taxpayer's Signature _____	Title _____	Date _____
Paid Preparer's Signature _____	Paid Preparer's Address _____	Date _____

notes

**The Facts For Example 3
Are As Follows:**

- This is a taxable renovation to commercial property.
- Tax is paid by the contractors on materials at the time of purchase. (All materials for this job are purchased by the subcontractors.)
- Subcontractors accept resale certificates from the general contractor.
- The general contractor bills the owner on a "sales tax included" basis.
- The general contractor will determine the gross receipts from taxable service by multiplying the total charges for taxable service by .943. The tax is determined by subtracting the gross receipts from the total charges for taxable service.

SUBCONTRACTOR:

"THE CARPENTER" BILLS THE GENERAL

\$70,000.00

materials purchased	\$47,169.81
tax paid by sub	<u>\$ 2,830.19</u>
total materials cost	\$50,000.00
sub's charge for service	<u>\$20,000.00</u>
total	\$70,000.00

SUBCONTRACTOR:

"THE PLUMBER" BILLS THE GENERAL \$10,000.00

materials purchased	\$4,716.98
tax paid by sub	<u>\$ 283.02</u>
total materials cost	\$ 5,000.00
sub's charge for service	<u>\$ 5,000.00</u>
total	\$10,000.00

SUBCONTRACTOR:

"THE ELECTRICIAN" BILLS THE GENERAL \$10,000.00

materials purchased	\$4,716.98
tax paid by sub	<u>\$ 283.02</u>
total materials cost	\$5,000.00
sub's charge for service	<u>\$5,000.00</u>
total	\$10,000.00

Issues Resale Certificate for service portion of bill

Issues Resale Certificate for service portion of bill

Issues Resale Certificate for service portion of bill

BREAKDOWN OF GENERAL CONTRACTOR'S BOOKS:

MATERIALS:

Plumber	\$ 5,000.00*	* Includes tax paid by the subcontractors to their vendors
Carpenter	\$50,000.00*	
Electrician	<u>\$ 5,000.00*</u>	
Total	<u>\$60,000.00*</u>	

SERVICE:**

Plumber	\$ 5,000.00	** NOTE: See Page 13 for definition of SERVICE.
Carpenter	\$20,000.00	
Electrician	\$ 5,000.00	
General Contractor	<u>\$10,000.00</u>	
Total Charges For Service	\$40,000.00 tax included	
The Alternative Factor	x .943	
Total Charge For Service	\$37,720.00 without tax	
Sales Tax	<u>\$ 2,280.00</u>	

Grand Total: \$100,000.00

EXAMPLE 3

General contractor bills owner on a "tax included" basis. Resale certificates issued by general contractor to subcontractors for taxable services.

GENERAL CONTRACTOR

Bills Property Owner

\$100,000.00 tax included

**SALES AND USE TAX RETURN
 FORM OS-114**

General Instructions

1. A RETURN MUST BE FILED even if no tax is due or no sales were made.
2. DUE DATE:
Return is due one month after period ending. Return must be postmarked on or before the due date.
3. DEDUCTIONS: Fill out reverse side of this form if you claim deductions.
4. INTEREST: For late payment - 1% of tax due per month from due date.
5. PENALTY: For failure to pay tax when due - 15% of tax due or \$50, whichever is greater.
6. NEW OWNERS: Do not use previous owner's form to file your return. Any change in ownership requires a new permit.
7. Make check payable to: *COMMISSIONER OF REVENUE SERVICES.*
(Be sure to include the Tax Registration Number on your check.)
FOR COMPLETE INSTRUCTIONS SEE **FORM O-88.**

For Period Ending
Connecticut Tax Registration Number

For Department Use Only

Please enter any changes to your name or address below.

New Trade Name:
New Mailing Address:
<input type="checkbox"/> <i>Please check if change applies to both mailing and physical address.</i>
New Physical Location (P.O. Box Not Acceptable)

EXAMPLE 3

(GENERAL CONTRACTOR'S RETURN)

1	Gross receipts from sales of goods	▶ 1		
2	Gross receipts from leases and rentals	▶ 2		
3	Gross receipts from labor and services	▶ 3	97,720	00
4	Purchases of goods by your business subject to use tax	▶ 4		
5	Leases and rentals by your business subject to use tax	▶ 5		
6	Purchases of services by your business subject to use tax	▶ 6		
7	Total: <i>Add Lines 1 through 6</i>	▶ 7	97,720	00
8	Total deductions: <i>Please complete reverse side. Enter amount from Total Deductions here.</i>	▶ 8	60,000	00
9	Balance subject to tax: <i>Subtract Line 8 from Line 7, but not less than zero</i>	▶ 9	37,720	00
10	Gross amount of tax due: <i>Multiply Line 9 by 6% (.06)</i>	▶ 10	2,280	00
11	Credits: <i>See Form O-88 Instructions</i>	▶ 11		
12	Net amount of tax due: <i>Subtract Line 11 from Line 10</i>	▶ 12	2,280	00
13	For late payment of tax: <i>See General Instructions</i> Interest ▶ _____ + Penalty ▶ _____ =	▶ 13		
14	Total amount due: <i>Add Line 12 and Line 13</i>	▶ 14	2,280	00

Please Complete Items Below

If this return is not for a full period, enter dates covered: From: _____ To: _____

If this business has changed ownership since your last return, enter name and address of new owners and date sold:
 Name: _____ Address: _____ Date Sold: _____

If this is your first return, please enter business starting date: _____ If you are out of business, please enter last business date: _____

I declare under the penalty of false statement that I have examined this return and to the best of my knowledge and belief, it is true, complete and correct.
 (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars, or both.)

Taxpayer's Signature	Title	Date
Paid Preparer's Signature	Paid Preparer's Address	Date

Deductible Items at 6% Tax Rate

Missing line numbers reflect changes in tax exemptions

15	Sales for resale - sales of goods	▶	15		
16	Sales for resale - leases and rentals	▶	16		
17	Sales for resale - labor and services	▶	17		
18	All newspapers and subscription sales of magazines and puzzle magazines	▶	18		
19	Trucks with gross vehicle weight rating over 26,000 lbs. or used exclusively for carriage of interstate freight	▶	19		
21	Food for human consumption, sold through vending machines and any items purchased with food stamps	▶	21		
23	Fuel for motor vehicles	▶	23		
24	Sales of electricity, gas and heating fuel for residential dwellings	▶	24		
25	Sales of electricity - \$150 monthly charge per business	▶	25		
26	Sales of electricity, gas and heating fuel for manufacturing or agricultural production	▶	26		
27	Aviation fuel	▶	27		
29	Tangible personal property to persons issued Farmer Tax Exemption Permit	▶	29		
30	Machinery, its replacement, repair, component and enhancement parts, materials, tools and fuel for manufacturing	▶	30		
31	Machinery, materials, tools and equipment used in commercial printing process or publishing	▶	31		
32	Machinery, materials, tools and fuel for commercial fishing	▶	32		
33	Out-of-state - sales of goods	▶	33		
34	Out-of-state - leases and rentals	▶	34		
35	Out-of-state - labor and services	▶	35		
36	Motor vehicles or vessels purchased by nonresidents (Attach CERT-125 to OS-114)	▶	36		
37	Prescription medicines - sales of goods	▶	37		
38	Nonprescription medicines and diabetic equipment - sales of goods	▶	38		
39	Charitable or religious organizations - sales of goods	▶	39		
40	Charitable or religious organizations - leases and rentals	▶	40		
41	Charitable or religious organizations - labor and services	▶	41		
42	Federal, Connecticut or municipal agencies - sales of goods	▶	42		
43	Federal, Connecticut or municipal agencies - leases and rentals	▶	43		
44	Federal, Connecticut or municipal agencies - labor and services	▶	44		
45	Items certified for air or water pollution abatement - sales, leases and rentals of goods	▶	45		
47	Nontaxable labor and services	▶	47		
48	Services between wholly owned business entities (See instructions, Form O-88)	▶	48		
50	Trade-ins of all like-kind tangible personal property (See instructions, Form O-88)	▶	50		
52	Taxed goods returned within 90 days at 6% (.06) rate	▶	52		
56	Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals or repair services of goods	▶	56		
58	Printed material for future delivery out of state	▶	58		
59	Articles of clothing or footwear under \$50	▶	59		
60	Material and components for noncommercial production of clothing	▶	60		
63	Funeral expenses	▶	63		
69	Repair services, repair and replacement parts for aircraft and certain aircraft (See instructions, Form O-88)	▶	69		
71	Certain machinery under the Manufacturing Recovery Act of 1992 (See instructions, Form O-88)	▶	71		
72	Machinery, equipment, tools, supplies and fuel used in the biotechnology industry	▶	72		
73	Repair and maintenance services and fabrication labor to vessels (See instructions, Form O-88)	▶	73		
74	Computer and data processing services (See instructions, Form O-88)	▶	74		
75	Renovation and repair services to residential real property (See instructions, Form O-88)	▶	75		
76	Patient care services by hospitals (See instructions, Form O-88)	▶	76		
77	Sales to direct payment permit holders	▶	77		
A	Other Adjustments - sales of goods (Describe: Materials consumed including tax paid)	▶	A	60,000	00
B	Other Adjustments - leases and rentals (Describe:)	▶	B		
C	Other Adjustments - labor and services (Describe:)	▶	C		
	NOTE: Line 20 is now part of Line 19; Line 22 is now part of Line 21; Line 46 is now part of Line 45; Line 49 is now part of Line 36; Line 57 is now part of Line 56; Line 64 is now part of Line 30.				
	Computer and data processing services and renovation and repair services to residential real property are being phased out. (See instructions, Form O-88)				
	TOTAL DEDUCTIONS (Enter here and on Line 8 on the front of this return)			60,000	00

notes

The Facts For Example 4 Are As Follows:

- This is a taxable renovation to commercial property.
- Tax is paid by the contractors on materials at the time of purchase. (All materials for this job are purchased by the subcontractors.)
- No resale certificates are issued to or accepted by the subcontractors.
- The general contractor will determine the gross receipts from taxable service by multiplying the general contractor's charge for service (tax included) by .943. The tax is determined by subtracting the general contractor's gross receipts for taxable service from the general contractor's charge for service.

SUBCONTRACTOR:

**"THE PLUMBER" BILLS THE GENERAL
\$10,000.00 "Tax Included"**

Breakdown of subcontractor's books:

materials purchased	\$4,716.98
tax paid by sub	<u>\$ 283.02</u>
total materials cost	\$5,000.00
sub's charge for service	\$5,000.00 tax included
the alternative factor	<u>x .943</u>
sub's charge for service	\$4,715.00 without tax
tax on service	285.00

BREAKDOWN OF GENERAL CONTRACTOR'S BOOKS:

SUBCONTRACTS:

Plumber	\$10,000.00*	* Includes tax paid by the subcontractors to their vendors
Carpenter	\$70,000.00*	
Electrician	\$10,000.00*	
Total sub cost	<u>\$90,000.00*</u>	

General Contractor's Charge

For Service**:	\$10,000.00*	
The Alternative Factor	<u>x .943</u>	
General Contractor's Charge		
For Service	\$ 9,430.00	without tax
Sales Tax	\$ 570.00	

Grand Total: \$100,000.00

** NOTE: See Page 13 for definition of SERVICE.

SUBCONTRACTOR:

**"THE CARPENTER" BILLS THE GENERAL
\$70,000.00 "Tax Included"**

Breakdown of subcontractor's books:

materials purchased	\$47,169.81
tax paid by sub	<u>\$ 2,830.19</u>
total materials cost	\$50,000.00
sub's charge for service	\$20,000.00 tax included
the alternative factor	<u>x .943</u>
sub's charge for service	\$18,860.00 without tax
tax on service	\$ 1,140.00

EXAMPLE 4

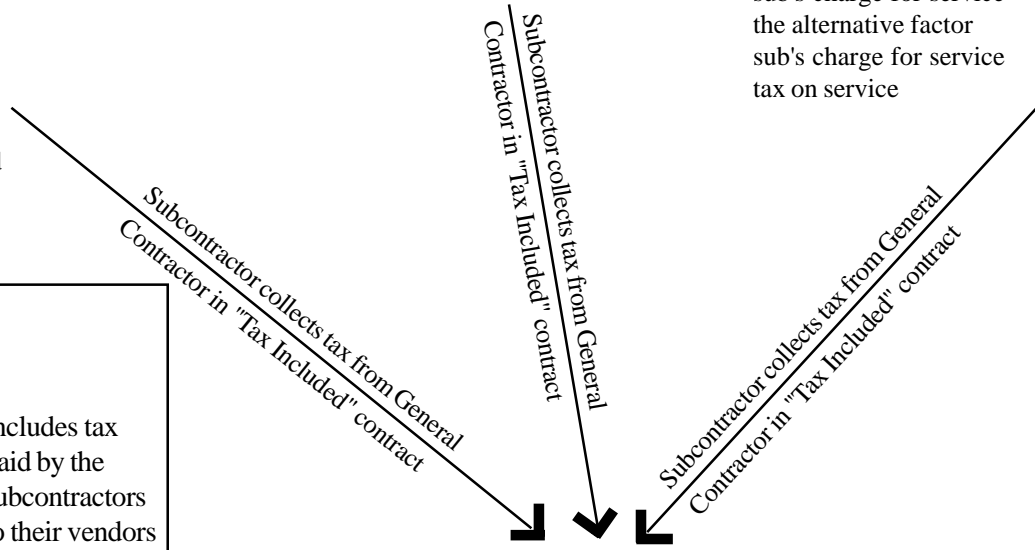
General contractor bills owner on a "tax included" basis. No resale certificates issued by general contractor to subcontractors for taxable services.

SUBCONTRACTOR:

**"THE ELECTRICIAN" BILLS THE GENERAL
\$10,000.00 "Tax Included"**

Breakdown of subcontractor's books:

materials purchased	\$4,716.98
tax paid by sub	<u>\$ 283.02</u>
total materials cost	\$5,000.00
sub's charge for service	\$5,000.00 tax included
the alternative factor	<u>x .943</u>
sub's charge for service	\$4,715.00 without tax
tax on service	\$ 285.00



GENERAL CONTRACTOR

Bills Property Owner

\$100,000.00 tax included

SALES AND USE TAX RETURN

FORM OS-114

General Instructions

1. A RETURN MUST BE FILED even if no tax is due or no sales were made.
2. DUE DATE:
Return is due one month after period ending. Return must be postmarked on or before the due date.
3. DEDUCTIONS: Fill out reverse side of this form if you claim deductions.
4. INTEREST: For late payment - 1% of tax due per month from due date.
5. PENALTY: For failure to pay tax when due - 15% of tax due or \$50, whichever is greater.
6. NEW OWNERS: Do not use previous owner's form to file your return. Any change in ownership requires a new permit.
7. Make check payable to: **COMMISSIONER OF REVENUE SERVICES.**
(Be sure to include the Tax Registration Number on your check.)
FOR COMPLETE INSTRUCTIONS SEE FORM O-88.

For Period Ending
Connecticut Tax Registration Number

For Department Use Only

Please enter any changes to your name or address below.

New Trade Name:
New Mailing Address:
<input type="checkbox"/> <i>Please check if change applies to both mailing and physical address.</i>
New Physical Location (P.O. Box Not Acceptable)

EXAMPLE 4

(GENERAL CONTRACTOR'S RETURN)

1	Gross receipts from sales of goods	▶	1		
2	Gross receipts from leases and rentals	▶	2		
3	Gross receipts from labor and services	▶		99,430	00
4	Purchases of goods by your business subject to use tax	▶	4		
5	Leases and rentals by your business subject to use tax	▶	5		
6	Purchases of services by your business subject to use tax	▶	6		
7	Total: Add Lines 1 through 6	▶	7	99,430	00
8	Total deductions: <i>Please complete reverse side, enter amount from Total Deductions here.</i>	▶	8	90,000	00
9	Balance subject to tax: <i>Subtract Line 8 from Line 7, but not less than zero</i>	▶	9	9,430	00
10	Gross amount of tax due: <i>Multiply Line 9 by 6% (.06)</i>	▶	10	570	00
11	Credits: <i>See Form O-88 for instructions</i>	▶	11		
12	Net amount of tax due: <i>Subtract Line 11 from Line 10</i>	▶	12	570	00
13	For late payment of tax: <i>See General Instructions</i> Interest ▶ _____ + Penalty ▶ _____ =		13		
14	Total amount due: <i>Add Line 12 and Line 13</i>	▶	14	570	00

Please Complete Items Below

If this return is not for a full period, enter dates covered: From: _____ To: _____

If this business has changed ownership since your last return, enter name and address of new owners and date sold:
 Name: _____ Address: _____ Date Sold: _____

If this is your first return, please enter business starting date: _____ If you are out of business, please enter last business date: _____

I declare under the penalty of false statement that I have examined this return and to the best of my knowledge and belief, it is true, complete and correct.
 (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars, or both.)

Taxpayer's Signature	Title	Date
Paid Preparer's Signature	Paid Preparer's Address	Date

Deductible Items at 6% Tax Rate

Missing line numbers reflect changes in tax exemptions

15	Sales for resale - sales of goods	▶	15		
16	Sales for resale - leases and rentals	▶	16		
17	Sales for resale - labor and services	▶	17		
18	All newspapers and subscription sales of magazines and puzzle magazines	▶	18		
19	Trucks with gross vehicle weight rating over 26,000 lbs. or used exclusively for carriage of interstate freight	▶	19		
21	Food for human consumption, sold through vending machines and any items purchased with food stamps	▶	21		
23	Fuel for motor vehicles	▶	23		
24	Sales of electricity, gas and heating fuel for residential dwellings	FOR UTILITY AND	▶	24	
25	Sales of electricity - \$150 monthly charge per business	HEATING FUEL COMPANIES	▶	25	
26	Sales of electricity, gas and heating fuel for manufacturing or agricultural production	ONLY	▶	26	
27	Aviation fuel	▶	27		
29	Tangible personal property to persons issued Farmer Tax Exemption Permit	▶	29		
30	Machinery, its replacement, repair, component and enhancement parts, materials, tools and fuel for manufacturing	▶	30		
31	Machinery, materials, tools and equipment used in commercial printing process or publishing	▶	31		
32	Machinery, materials, tools and fuel for commercial fishing	▶	32		
33	Out-of-state - sales of goods	▶	33		
34	Out-of-state - leases and rentals	▶	34		
35	Out-of-state - labor and services	▶	35		
36	Motor vehicles or vessels purchased by nonresidents (Attach CERT-125 to OS-114)	▶	36		
37	Prescription medicines - sales of goods	▶	37		
38	Nonprescription medicines and diabetic equipment - sales of goods	▶	38		
39	Charitable or religious organizations - sales of goods	▶	39		
40	Charitable or religious organizations - leases and rentals	▶	40		
41	Charitable or religious organizations - labor and services	▶	41		
42	Federal, Connecticut or municipal agencies - sales of goods	▶	42		
43	Federal, Connecticut or municipal agencies - leases and rentals	▶	43		
44	Federal, Connecticut or municipal agencies - labor and services	▶	44		
45	Items certified for air or water pollution abatement - sales, leases and rentals of goods	▶	45		
47	Nontaxable labor and services	▶	47		
48	Services between wholly owned business entities (See instructions, Form O-88)	▶	48		
50	Trade-ins of all like-kind tangible personal property (See instructions, Form O-88)	▶	50		
52	Taxed goods returned within 90 days at 6% (.06) rate	▶	52		
56	Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals or repair services of goods	▶	56		
58	Printed material for future delivery out of state	▶	58		
59	Articles of clothing or footwear under \$50	▶	59		
60	Material and components for noncommercial production of clothing	▶	60		
63	Funeral expenses	▶	63		
69	Repair services, repair and replacement parts for aircraft and certain aircraft (See instructions, Form O-88)	▶	69		
71	Certain machinery under the Manufacturing Recovery Act of 1992 (See instructions, Form O-88)	▶	71		
72	Machinery, equipment, tools, supplies and fuel used in the biotechnology industry	▶	72		
73	Repair and maintenance services and fabrication labor to vessels (See instructions, Form O-88)	▶	73		
74	Computer and data processing services (See instructions, Form O-88)	▶	74		
75	Renovation and repair services to residential real property (See instructions, Form O-88)	▶	75		
76	Patient care services by hospitals (See instructions, Form O-88)	▶	76		
77	Sales to direct payment permit holders	▶	77		
A	Other Adjustments - sales of goods (Describe: Materials consumed including tax paid)	▶	A	60,000	00
B	Other Adjustments - leases and rentals (Describe:)	▶	B		
C	Other Adjustments - labor and services (Describe: Subcontractor's service)	▶	C	30,000	00
	NOTE: Line 20 is now part of Line 19; Line 22 is now part of Line 21; Line 46 is now part of Line 45; Line 49 is now part of Line 36; Line 57 is now part of Line 56; Line 64 is now part of Line 30.				
	Computer and data processing services and renovation and repair services to residential real property are being phased out. (See instructions, Form O-88)				
	TOTAL DEDUCTIONS (Enter here and on Line 8 on the front of this return)			90,000	00

notes

CONNECTICUT TAX FORMS, PUBLICATIONS, CERTIFICATES AND SALES TAX REGULATIONS

The following forms, publications, certificates and regulations will be of interest to most business people. The publication numbers referenced are updated at the time of printing, but because the information may change, request the most current version when you order.

SALES AND USE TAXES

<p>OS-114 Sales and Use Tax Return</p> <p>OP-186 Connecticut Individual Use Tax Return</p> <p>IP 92(1.5) Q & A On Sales and Use Taxes For a New Business</p> <p>IP 93(3.1) Q & A on the Connecticut Use Tax for Businesses and Professions</p> <p>IP 93(4.2) Notice to Retailers Regarding Sales and Use Taxes Resale Certificate</p> <p>IP 99(5.2) Topical Index to Rulings and Administrative Pronouncements Covering Sales and Use Taxes</p> <p>IP 99(17) Farmer's Guide to Sales and Use Taxes, Motor Vehicle Fuels Tax, and Estimated Income Taxes</p> <p>IP 99(18) Sales and Use Taxes Guide for Manufacturers, Fabricators and Processors</p> <p>PS 94(7) Fabrication and Installation of Stock and Custom Cabinets</p> <p>PS 98(5) Sales and Use Tax Refund Policy</p> <p>PS 99(2) Tax Exemptions for Certain Air Pollution Control Equipment</p>	<p>PS 99(3) Tax Exemptions for Certain Water Pollution Control Equipment</p> <p>SN 92(23) Sales and Use Taxes on Certain Renovation and Repair Services to Residential Real Property</p> <p>SN 93(1.1) The Manufacturing Recovery Act of 1992 - Exemption for Purchases of Property Used in Manufacturing, Processing and Fabricating</p> <p>SN 93(2) Sales and Use Taxes on Charges Made by Service Providers After <u>Air Kaman Inc. v. Groppo</u> and 1992 Conn. Pub. Acts 17 (May Spec. Sess.)</p> <p>SN 95(17) Certain Environmental Services Excluded from Sales and Use Taxes</p> <p>SN 97(10) Exemption from Sales and Use Taxes for Tangible Personal Property and Services Purchased by Water Companies</p> <p>SN 98(6) Exemption from Sales and Use Taxes for Projects of the Connecticut Resources Recovery Authority and Solid Waste-to-Energy Facilities</p> <p>SN 98(10) The "Buy Connecticut" Provision</p>
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SALES AND USE TAX REGULATIONS

<p>§12-407(2)(i)(M)-1 Motor vehicle repair services</p> <p>§12-407(2)(i)(Q)-1 Electrical and electronic repair services</p> <p>§12-407(2)(i)(T)-1 Locksmith services</p> <p>§12-407(2)(i)(V)-1 Landscaping and horticulture services</p> <p>§12-407(2)(i)(W)-1 Window cleaning services</p> <p>§12-407(2)(i)(X)-1 Maintenance services</p> <p>§12-407(2)(i)(Y)-1 Janitorial services</p> <p>§12-407(2)(i)(Z)-1 Exterminating services</p> <p>§12-407(2)(i)(AA)-1 Swimming pool cleaning and maintenance services</p>	<p>§12-407(2)(i)(BB)-1 Services to other than commercial, industrial or income-producing real property</p> <p>§12-407(2)(i)(DD)-1 Repair or maintenance services to tangible personal property and contracts of maintenance, repair or warranty</p> <p>§12-407(2)(i)(I)-1 Services to industrial, commercial or income-producing real property</p> <p>§12-410(5)-1 Resale of services</p> <p>§12-411(14)-1 Resale of services excluded from use tax</p> <p>§12-426-18 Contractors and subcontractors</p>
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MISCELLANEOUS

REG-1	Application for Tax Registration Number	IP 96(12)	Q & A Concerning Requests For Disclosure of Tax Returns and Tax Return Information
LGL-001	Power of Attorney		
LGL-002	Request for Disclosure of Confidential Information Reported on a Tax Return	IP 99(4.2)	Numerical Index to Rulings and Administrative Pronouncements As Affected, If At All, By Later-Issued Rulings and Pronouncements
LGL-003	Limited Power of Attorney		
CT-8822	Change of Address	IP 99(6.2)	Topical Index to Rulings and Administrative Pronouncements Covering Miscellaneous Taxes and Administrative Topics
PS 91(6.2)	Procedures in Handling Requests for Issuance of Rulings		
PS 92(4.2)	Your Rights as a Connecticut Taxpayer	IP 99(11)	Business Taxes
PS 92(12.1)	Limited Liability Companies	IP 99(21)	Getting Started in Business: Understanding Connecticut Taxes
IP 96(14)	Q & A Concerning Freedom of Information Act Requests		

SALES AND USE TAXES EXEMPTION CERTIFICATES

• Sales & Use Tax Resale Certificate (Regulations 1 & 23)	CERT-112	Certificate for Exempt Qualifying Purchase of Meals or Lodging by an Exempt Organization or Qualifying Governmental Agency
CERT-100 Materials, Tools and Fuel Certificate		
CERT-101 Machinery, Component Parts and Replacement and Repair Parts of Machinery Used Directly in a Manufacturing Process	CERT-113	Certificate for Purchases of Tangible Personal Property and Services by a Nonprofit Nursing Home, Nonprofit Rest Home or Nonprofit Home for the Aged
CERT-102 Certified Rehabilitation Certificate for Certified Historic Structures		
CERT-103 Residential Condominium Association Certificate	CERT-114	Commercial Motor Vehicle or Motor Bus Purchased Within Connecticut to be Used in Interstate Commerce as an Interstate Motor Bus
CERT-104 New Construction Certificate		
CERT-105 Commercial Motor Vehicle Purchased Within Connecticut to be Used Exclusively in the Carriage of Freight in Interstate Commerce	CERT-115	Certificate for Exempt Purchases of Gas Electricity, and Heating Fuel Purchased for Residential Use or for Use in Agricultural Production, in the Fabrication of Finished Products to be Sold, or in an Industrial Manufacturing Plant
CERT-106 Claim for Refund of Use Tax Paid on Motor Vehicle Purchased from Other than a Motor Vehicle Dealer		
CERT-108 Certificate of Partial Exemption for Materials, Tools and Fuels	CERT-116	Exempt Petroleum Products Certificate
CERT-109 Certificate of Partial Exemption for Machinery and Equipment	CERT-117	Certificate for Purchases of Tangible Personal Property Incorporated into or Consumed in Air Pollution Control Facilities
CERT-110 Aircraft Repair Services Certificate, Aircraft Repair and Replacement Parts Certificate	CERT-119	Certificate for Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations
CERT-111 Certificate for Machinery, Equipment, Materials, Tools and Fuel used by an Aircraft Manufacturer Operating an Aircraft Manufacturing Facility	CERT-120	Certificate for Machinery, Equipment, Tools, Materials and Supplies Used in the Production of Printed Materials or in Prepress Production

- CERT-121** Exemption for Landscaping and Horticulture Services, Window Cleaning Services and Maintenance Services Rendered to Recipients of Total Disability Benefits
- CERT-122** Certificate for Refund of Sales Tax Paid on Exempt Qualifying Purchases of Meals or Lodging by an Exempt Organization or Qualifying Governmental Agency
- CERT-123** Blanket Certificate For Exempt Qualifying Purchases of Meals or Lodging by an Exempt Organization or Qualifying Governmental Agency
- CERT-124** Certificate for Purchases in Connection with Water Pollution Control Facilities
- CERT-125** Sales and Use Tax Exemption for Motor Vehicle Purchased Within the State of Connecticut but not Registered in this State by a Purchaser Who does not Reside in this State
- CERT-126** Certificate for Exempt Purchases of Tangible Personal Property for Low and Moderate Income Housing Facilities
- CERT-127** Certificate for Exempt Purchases by an Enrolled Member or by the Tribal Government of the Mashantucket Pequot Tribe or Mohegan Tribe
- CERT-128** Certificate for Exempt Purchases by Contractors in Connection with Construction Projects on the Mashantucket Pequot or Mohegan Reservations
- CERT-129** Exemption for Items Used Directly in the Biotechnology Industry
- CERT-130** Sales and Use Tax Exemption for Purchases by Water Companies
- CERT-131** Exemption for Projects of the Connecticut Resources Recovery Authority and Solid Waste-to-Energy Facilities
- CERT-132** Sales and Use Tax Exemption under the "Buy Connecticut" Provision
- Charitable and Religious Organization Exemption Certificate (nonprofit housing organizations that were issued a Connecticut exemption permit before July 1, 1995 by the Department.)
 - Governmental Agency Exemption Certificate
 - Federal Credit Union Exemption Certificate
 - Contractor's Exempt Purchase Certificate
 - Printed Material Certificate

WITHHOLDING TAX

- | | |
|--|--|
| <p>CT-WH Connecticut Withholding Tax Payment Form</p> <p>CT-941 Connecticut Quarterly Reconciliation of Withholding</p> <p>CT-941X Amended Connecticut Quarterly Reconciliation of Withholding</p> <p>CT-W3 Connecticut Annual Reconciliation of Withholding</p> | <p>CT-W4 Employee's Withholding or Exemption Certificate</p> <p>CT-W4P Withholding Certificate for Pension or Annuity Payments</p> <p>CT-W4NA Employee's Withholding or Exemption Certificate - Nonresident Apportionment</p> |
|--|--|

notes

For Tax Forms, Publications or Personal Assistance

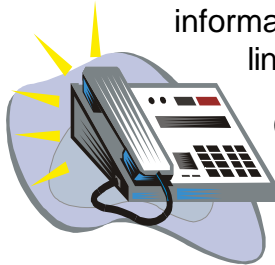
Visit the **DRS Web site** at: www.state.ct.us/drs

General E-mail: drs@po.state.ct.us

Forms and Publications by E-mail: ctforms@po.state.ct.us



Conn-Tax: If you have a touch-tone phone, you can obtain important tax information 24 hours a day from Conn-Tax, DRS's telephone information line.



Call 800-382-9463 (in-state) or 860-297-5962 (anywhere).

For **prerecorded tax information**, select a topic from the menu options provided.

For **forms or publications**, press "2."

To speak to a **Taxpayer Services representative**, call between 8 a.m. and 5 p.m., Monday through Friday, and press "0."

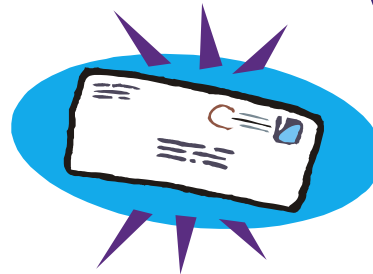
TTY, TDD and Text Telephone users only may transmit inquiries 24 hours a day, seven days a week by calling 860-297-4911.

DRS TaxFax: Get forms and publications any hour of the day, seven days a week, by calling 860-297-5698 from the handset attached to your fax machine.



Write to:

DRS Taxpayer Services Division
25 Sigourney Street
Hartford CT 06106-5032




DRS Offices: Visit our main office in Hartford or visit our field offices in Bridgeport, Hamden, Norwich or Waterbury weekdays, 8 a.m. to 5 p.m. Call **Conn-Tax** or the location listed below for directions.


HARTFORD
25 Sigourney Street
Hartford CT 06106-5032
860-297-5962

BRIDGEPORT
10 Middle Street
Bridgeport CT 06610
203-579-6251

HAMDEN
3074 Whitney Ave.
Hamden CT 06518
203-287-8243

NORWICH
2 Cliff Street
Norwich CT 06360
860-889-2669

WATERBURY 
91 Schraffts Drive
Waterbury CT 06708
203-596-4310

 Moving in 1999, call before you visit.



MISSION STATEMENT

The Mission of the
Connecticut Department of Revenue Services
is to administer the tax laws of the State of Connecticut
and collect the tax revenues
in the most cost effective manner;
achieve the highest level of voluntary compliance
through accurate, efficient and courteous customer services;
and perform in a manner
which instills public confidence in the integrity
and fairness of the state's tax programs.

IP 99(19), *Building Contractors' Guide to Sales and Use Taxes*

State of Connecticut
Department of Revenue Services
25 Sigourney Street
Hartford CT 06106

Issued: September 20, 1999
Replaces: IP 95(1.1), Issued June 5, 1995