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Building Contractors' Guide to Sales and Use Taxes

State of Connecticut
Department of Revenue Services

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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 about the taxability of goods or services you provide, contact the Department of Revenue Services (DRS).

VISIT THE DRS WEBSITE AT **PORTAL.CT.GOV/DRS** TO PREVIEW AND
DOWNLOAD FORMS AND PUBLICATIONS.

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THE BASICS

INTRODUCTION

Connecticut building contractors and out-of-state contractors performing services in Connecticut are generally required to collect sales tax on their sales and pay sales or use tax on their purchases. This guide provides more information about (1) when a contractor needs to pay tax on their purchases of services and materials, and (2) when a contractor needs to collect sales tax from their purchaser on their sales of contracting services and related materials.

Contractors are relatively unique in that they are both the consumer of materials and retailers of their services. Therefore, contractors must generally:

1. Pay sales and use tax on materials, supplies, and equipment used in their construction contracts; **and**
2. Charge and remit sales tax on their taxable services and certain sales of related materials.

Generally, services to existing commercial, industrial, and income-producing property are taxable. Some services to residential property are also taxable.

All contractors must register with the Department of Revenue Services (DRS) if they are conducting business in Connecticut. Taxes for which they may be liable include, but are not limited to, sales and use taxes, withholding tax, corporation business tax, and business entity tax. See **Informational Publication 2018(5)**, *Getting Started in Business*.

OBTAINING A SALES AND USE TAX PERMIT

All contractors, including subcontractors, must obtain a Connecticut *Sales and Use Tax Permit* from DRS prior to providing any services in Connecticut, even if the services provided are not taxable or if the contract is with a tax-exempt entity.

To register a business, visit the Department of Revenue Services at www.ct.gov/register. Use the **Taxpayer Service Center (TSC)** to complete **Form REG-1**, *Business Taxes Registration Application* online. When registering online an electronic direct payment from a savings or checking account must be made for the *Sales and Use Tax Permit* fee. Credit or debit card payments are not accepted for registration fees. A business may also apply in person at the DRS main office in Hartford or at any of the regional offices. Only the Hartford office accepts cash.

In addition to obtaining a *Sales and Use Tax Permit*, a nonresident contractor is required to meet requirements

imposed on such contractors. See Page 23 for more information on nonresident contractor bond requirements.

When purchasing an existing business, the new business may not use the *Sales and Use Tax Permit* issued to the previous owner. A new *Sales and Use Tax Permit* must be obtained. See **Informational Publication 2018(10)**, *Successor Liability and Request for Tax Clearance*.

KEEPING GOOD RECORDS

Every contractor must keep accurate and complete records of all transactions subject to tax and all purchases made by the business for resale, if applicable. These records will assist the contractor when filing federal and state tax returns and must be available if the business is audited. These records must be kept for at least six years. Contractors making purchases on resale must maintain records that show how sales or use tax was later paid on those purchases.

Other records the business must keep include:

- Records of sales (sales receipts, cash register tapes, guest checks, invoices, etc.);
- Purchase records (invoices, cash disbursement journal);
- State and federal tax returns including schedules and worksheets;
- Documents that show price changes;
- General ledger;
- Sales, purchases, accounts receivable, and accounts payable journals; **and**
- Resale and exemption certificates and records of purchases made with certificates.

See Conn. Agencies Regs. § 12-2-12 for more recordkeeping and record retention requirements.

FILING TIMELY RETURNS THROUGH THE TAXPAYER SERVICE CENTER (TSC)

Form OS-114, *Connecticut Sales and Use Tax Return* must be filed for every reporting period even if no tax is due or no business activity was conducted for a particular period.

Taxpayers are responsible for filing a timely return whether they are a monthly, quarterly, or annual filer. The due date for Form OS-114 is the last day of the month following the end of the reporting period. If a return is filed late and a payment of tax is due, additional charges for penalty and interest will apply.

Electronic filing is the easiest, most secure way to file returns on time. All taxpayers (except annual filers) must file electronically and make a tax payment by electronic funds transfer. See **Informational Publication 2017(15)**, *Filing and Paying Connecticut Taxes Electronically*.

The **Taxpayer Service Center (TSC)** is a free service on the DRS website at portal.ct.gov/TSC that enables taxpayers to file a return and make a tax payment. A direct payment may be made at the same time as filing the return through the **TSC**. Upon completing the return, the taxpayer will automatically be directed to the payment page where checking or savings account information may be entered. After successful filing and payment, a confirmation number will be received that can be printed for the taxpayer's records. Processed or scheduled payments may be viewed from the main menu of the **TSC**.

FILING AN AMENDED RETURN

If a mistake is made or something is left off the return, the mistake must be corrected by filing an amended return. Check the box indicating that this is an amended return and complete it using the correct figures and information for the reporting period.

An amended return claiming a refund of taxes already paid must be filed within three years of the original due date of the return. If tax was incorrectly collected from a customer, the business must prove the sale was not subject to sales and use taxes, or sales tax was otherwise paid in error, and prove the tax was returned to the customer (such as a canceled check or receipted bill). Alternatively, the business may provide DRS with copies of letters or memoranda issued to its purchasers in which it promises either to refund the tax to them, or for current, active customers of the retailer, to credit the refund amounts against amounts due from the purchasers.

If the business has not refunded the tax to its purchasers before DRS issues the refund to the business, then within 120 days after DRS issues the refund, the business must prove it has refunded or credited the refund amounts to its purchasers. A business must immediately return to DRS any amounts not refunded or credited to the business's purchasers within 120 days after DRS issues a refund.

Businesses should keep their records and any other documentation to justify any adjustments for three years.

For information about DRS policies on issuing refunds of sales and use taxes, see **Policy Statement 98(5)**, *Sales and Use Tax Refund Policy*.

SALES TAX REQUIREMENTS FOR DIFFERENT TYPES OF CONSTRUCTION CONTRACTS

There are three major types of construction contracts. This section briefly explains how sales or use tax should be paid by the contractor on purchases made for these contracts, and how sales tax should be collected by the contractor, if applicable.

Lump Sum or Fixed Fee Contract

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 building for \$10,000. The contractor cannot charge extra even if more material is used or more time is spent than expected.

Contractors pay sales or use tax on their purchase of materials for completion of the contract. Contractors must charge sales tax to the purchaser on the stated contract price, if the contractor's service is subject to tax and the purchaser is not exempt. The contract should state whether the total contract price is inclusive or exclusive of sales tax, if applicable.

Cost-Plus Contract

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

Example: The contractor agrees to install a new roof on a building. The contract states the property owner will reimburse the contractor for the cost of materials used and labor costs, plus 15%. The work is to be completed by a specific date within a maximum number of labor hours.

Contractors pay sales or use tax on their purchase of materials for completion of the contract. Contractors must charge sales tax from the purchaser on the total consideration paid, if the contractor's service is subject to tax and the purchaser is not otherwise exempt.

Time and Material Contract With an Upset or Guaranteed Price That May Not Be Exceeded

The contractor is paid on the basis of direct labor hours at a fixed hourly rate. The contract includes a maximum amount over which the contractor cannot charge.

A time and material contract with an upset or guaranteed price that may not be exceeded provides for:

- Direct labor hours at a specified fixed hourly rate that includes wages, overhead, general and administrative expenses, and profit;
- Materials at cost, including, if appropriate, material handling costs as part of material costs; **and**
- A ceiling price the contractor exceeds at its own risk.

Example: The contractor agrees to install a new roof on a building. The contractor will be paid at the 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 \$10,000.

Contractors pay sales or use tax on their purchase of materials for completion of the contract. Contractors must charge sales tax to the purchaser on the total consideration paid, if the contractor's service is subject to tax and the purchaser is not exempt.

CONTRACTORS COLLECTING SALES TAX FROM PURCHASERS

In order to determine whether a contractor is required to collect sales tax on a sale made to a purchaser, three questions must be answered: (1) what type of service is being performed, (2) what type of property is receiving the service, **and** (3) whether the purchaser is exempt from sales tax.

TANGIBLE PERSONAL PROPERTY OR REAL PROPERTY

Property is generally classified as either tangible personal property or real property. Sales of tangible personal property are subject to tax unless a specific exemption applies. Sales of services to commercial, industrial, or income-producing property are subject to tax unless a specific exemption applies. Sales of certain services are subject to tax for all types of real property.

TANGIBLE PERSONAL PROPERTY

The term *tangible personal property* refers to goods that are not part of real property. Examples of tangible personal property are furniture, curtains, and certain appliances.

The sale of tangible personal property is taxable. However, separately stated charges to install tangible personal property are not taxable, provided that such installation is not itself a service to existing commercial, industrial or income-producing real property.

Statutory Authority: Conn. Gen. Stat. § 12-407(a)(8)(B) and (9)(B)); Conn. Agencies Regs. § 12-426-18(e).

Temporary Sheds, Buildings, and Trailers

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

INSTALLATION VERSUS REPAIR OR MAINTENANCE OF TANGIBLE PERSONAL PROPERTY

This section covers services performed on systems that are integrated into real property, which contain core units that enable them to function. For example:

alarm systems
central vacuuming units
refrigeration units
modular lighting units
plumbing systems, which contain:
pumps
tanks
water heaters
heating and cooling systems, which contain:
central air conditioning units
furnaces (boilers and burners)

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 installation, repair and maintenance. Different tax rules apply depending upon which type of job is being done.

Installation of Systems

The installation of these systems is considered a service to real property. Contractors are the consumers of the materials used when installing these systems and, therefore, must pay tax on their purchases.

Contractors do not collect tax on their services when installing a system in:

- New construction
- Owner-occupied residential property

Contractors must collect tax on their services when installing a system in:

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

Repair or Maintenance of Tangible Personal Property

Repairing or maintaining units, or their electrical or electronic parts, is a taxable service to tangible personal property. 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.

Maintenance or repair service providers are the consumers of supplies used in performing their services. Therefore, sales of tangible personal property, other than integral parts, to a contractor who uses the property in repairing tangible personal property are taxable retail sales to the contractor.

The maintenance or repair service provider may purchase integral parts using a resale certificate. 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.

A contractor that both installs and repairs or maintains these units or systems may purchase inventory items 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, the contractor self-assesses use tax on the contractor's purchase price.
- If the item is used in a repair, the contractor collects sales tax from its customer on the item.

However, a contractor cannot use a resale certificate to purchase items that can only be used in an installation (for example: furnaces, central air conditioning, or water heater units).

Statutory Authority: Conn. Gen. Stat. § 12-407(a)(37) (Q) and (CC)

Warranty Contracts

A warranty contract is a contract that provides for repair services to be performed on an item of tangible personal property only in the event of a future malfunctioning.

Warranty Contracts for Tangible Personal Property: The sale of a warranty contract to service any item of tangible personal property is taxable. The sales tax applies to the charge for a warranty contract regardless of whether it is separately stated from the charge for the sale of the item or the warranty contract is purchased in a separate transaction from the sale of the item.

Warranty Contracts for Services: When repair services are performed under a warranty contract at no additional charge to the customer, the services are not taxable because the tax is considered to have been paid on the services when the warranty contract was purchased. However, any additional amount a warrantor charges a customer that is not covered under the warranty contract, such as a charge for a deductible, is subject to tax. The warrantor may purchase integral parts and repair labor used to service an item of tangible personal property under a warranty contract on resale from suppliers or third party repairers.

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

EQUIPMENT RENTAL OR SERVICE CONTRACT

The rental of equipment is a taxable transaction, whereas only certain services are taxable. However, sometimes it is difficult to distinguish between a contract for the rental of equipment and a contract for services.

The terms of the contract, not the billing method, determine if the transaction is for equipment rental or for a service.

Service Contract

A contract is for service if the equipment owner:

- Is hired to do a specific job;
- Maintains complete control over the equipment; **and**
- Retains discretion over how and when to perform the job.

Example 1 : Contract for a Taxable Service: A bulldozer service receives a job order to tear up an existing parking lot at a shopping center. It dispatches a bulldozer and an operator to handle the job. When the work is completed, it bills as follows:

Bulldozer 3 hrs @ \$100	\$ 300.00
Operator 3 hrs @ \$40	\$ 120.00
Subtotal	\$ 420.00
Sales Tax (\$420 x 6.35%)	\$ 26.67
Total	\$ 446.67

The entire charge is subject to tax because the renovation of commercial income-producing property is a taxable service. When performing a taxable service the entire charge is taxable whether or not the charge for the operator is separately stated.

Example 2: Contract for Nontaxable Services: A crane service receives a job order to unload two freight cars of lumber. The crane service dispatches a crane and an operator to handle the job. When the work is completed, it bills as follows:

Mobile Crane 3 hrs @ \$100	\$ 300.00
Operator 3 hrs @ \$40	\$ 120.00
Total	\$ 420.00

This again 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 is not subject to tax.

Equipment Rental

When the contractor 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 1: Rental Contract without an Operator: 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	\$ 2,000.00
1 truck 20 hrs @ \$50	\$ 1,000.00
Subtotal	\$ 3,000.00
Tax (\$3000 x 6.35%)	\$ 190.50
Total	\$ 3,190.50

This is a rental of equipment and the entire charge is subject to 6.35% tax.

Example 2: Rental Contract with an Operator: A crane service receives a job order to provide a crane to unload two freight cars of lumber. The crane service dispatches a crane and an operator to handle the job. When the crane and the operator arrive at the job site, the freight company instructs the operator on how and when to unload the lumber. The freight company oversees the crane operator's work and makes adjustments as necessary. When the work is completed, it bills as follows:

Mobile Crane 3 hrs @ \$100	\$ 300.00
Operator 3 hrs @ \$40	\$ 120.00
Subtotal	\$ 420.00
Tax (\$300 x 6.35%)	\$ 19.05
Total	\$ 439.05

This is a rental of equipment and the charge for equipment is subject to the 6.35% tax. However, the charge for the operator is not taxable provided the lessor supplies the operator for the leased property and the amount charged for the compensation of the operator is reasonable and is separately stated on the invoice.

Statutory Authority: Conn. Agencies Regs. § 12-426-25

TYPES OF REAL PROPERTY

Real property is land, buildings, and materials permanently affixed to the land or buildings. This guide refers to six types of real property:

New Construction: Types of new construction are:

- 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. This includes removing and replacing floors, support columns, walls, mechanical systems, 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;

Example 1: A clothing store is a tenant of one space in a strip mall that has five other stores as tenants. The clothing store completely gutted its space, but the other spaces in the strip mall were left untouched. As the strip mall is only one building and only a portion of the building was gutted, the work done on the tenant's space does not qualify as new construction.

Example 2: A manufacturer contracts to have 90% of the square footage of its recently purchased facility gutted, removing the internal walls, support columns, floors, and electrical and mechanical systems. The manufacturer plans to have both manufacturing and R&D operations take place in the building. Because the construction work needed is different for the section to be used for manufacturing than the section to be used for R&D, the manufacturer is leaving the internal walls, floors, and columns in 10% of the building where its R&D operations will take place. This contract does not qualify as new construction because 10% of the building will not be gutted.

- Site improvements to real property that put the property to a new use (see *Site Improvements* on Page 14);
- The substantial rehabilitation of a certified historic structure. For information about the special rules that apply to this type of construction, see **CERT-102, *Certified Rehabilitation Certificate for Certified Historic Structures***; **or**
- The initial finish out work to the interior of a new building, if there has been no previous use of this space, (storage is considered a use).

New construction generally ends when the Certificate of Occupancy (C.O.) is issued.

A **CERT-104, *Services Certificate for New Construction***, is used to establish the percentage of construction services that is attributable to new construction.

Owner-Occupied Residential Property:

- Is used exclusively for residential purposes;
- Consists of one to three dwelling units (up to a three family house); **and**
- The owner resides or will reside at the property upon completion of the work.

Commercial Property: Property where the buying, selling, or leasing of goods or services usually takes place. Examples include restaurants, retail stores, office buildings, and gas stations.

Industrial Property: Property where manufacturing or fabricating activities take place. An example is a factory. The grounds surrounding the factory, warehouse, and shipping dock are all part of the industrial property.

Income-Producing Property: Property held for or used in the production of income. Examples include land used for agricultural production and rental property such as an apartment building or nonowner-occupied residential property.

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

Statutory Authority: Conn. Gen. Stat. § 12-407(a)(37)(I) and Conn. Agencies Regs. § 12-407(2)(i)(I)-1

TYPES OF SERVICES

Services to existing industrial, commercial, and income-producing property are generally taxable, unless the purchaser is exempt from sales and use tax.

Services Taxable to All Real Property

Some services are taxable in all cases, whether performed on 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*
- Janitorial*
- Landscaping*
- Locksmith services*
- Maintenance*
- Snow plowing and removal*
- Swimming pool cleaning*
- Swimming pool maintenance*
- Window cleaning*

Additional information about these and other services can be found in the *Details* section of this guide beginning on Page 25.

Statutory Authority: Conn. Gen. Stat. § 12-407(a)(37)(T), (V), (W), (X), (Y), (Z), and (AA)

Services Taxable to Certain Real Property

Services are generally taxable to existing commercial, industrial, or income-producing property, even if they are not taxable when performed on owner-occupied residential property or new construction. These services include, but are not limited to:

- Air conditioning*
- Carpentry*
- Carpeting*
- Construction management*
- Demolition*
- Electrical*
- Elevator or escalator work*
- Excavating*
- Exterior sheet metal work*
- Flooring*
- Foundation work*
- Heating*
- Masonry*
- Painting*
- Paving*
- Plastering*
- Plumbing*
- Property management*
- Refuse removal*
- Roofing*
- Sandblasting*
- Siding*
- Staining*
- Structural inspection*
- Ventilation*
- Wallpapering*
- Welding*

Statutory Authority: Conn. Gen. Stat. § 12-407(a)(37)(I)

Site Improvements

Site improvements are improvements made to real property other than buildings. Certain site improvements put the property to a new use and are considered new construction. The construction of roadways, parking lots, in-ground swimming pools, tennis courts, and decks put the property to a new use.

Walkways, driveways, and patios must be made of poured concrete or asphalt to be considered nontaxable new construction instead of a taxable landscaping service. These services can 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 and are not considered new construction. The installation of wells, septic systems, utility lines, storm water drainage systems, and outdoor lighting systems do not put the property to a new use. Such services are not new construction unless the construction of the improvement is directly connected with new construction as defined above.

A **CERT-104**, *Services Certificate for New Construction*, is used to establish the percentage of construction services that is attributable to site improvements.

AMOUNT SUBJECT TO TAX

Once contractors have determined the type of property and type of service they are providing, they need to determine the amount of the bill that is subject to sales tax.

SERVICE CHARGE

A contractor's service charge, sometimes referred to as the labor charge, is determined by subtracting the cost of materials (including tax paid on materials) from the total contract price. In other words, every cent above the contractor's cost of materials physically incorporated into the real property, plus the tax paid on those materials, is considered the service charge.

The service charge includes:

- The actual labor charge;
- Any markup or profit on labor;
- Any markup or profit on materials;
- Overhead expenses;
- Tool or equipment purchase or rental, including tax paid on the rental; **and**
- Reimbursed expenses incorporated into the bill (whether or not the charges are separately stated).

REIMBURSED EXPENSES

Generally, reimbursed expenses associated with a taxable service are subject to tax even if separately stated on the invoice. When a business provides a taxable service in Connecticut and bills the customer for both the service and any reimbursable expenses used and consumed by the service provider in providing its services, such as postage, delivery charges, food, travel, and lodging, the entire bill is subject to sales tax.

Example 1: A security company is hired to provide a taxable guard service in Connecticut and presents the following bill.

Guard services	\$ 2,000.00
Travel and meals	\$ 300.00
Total	\$ 2,300.00

The entire bill of \$2,300.00 is subject to the 6.35% tax.

Example 2: A landscaping company performs its taxable service for a company located in Connecticut and presents the following bill:

Landscaping services	\$ 10,000.00
Travel	\$ 1,000.00
Meals	\$ 300.00
Lodging	\$ 900.00
Total	\$ 12,200.00

The entire bill of \$12,200 is subject to the 6.35% sales tax.

There is an exception to this general rule:

When the seller of services incurs any expense that is for the sole benefit of and is used by the service recipient, the reimbursement of the expense is not subject to tax. Examples are when a building contractor pays for a building permit for the building owner, town recording fees, and travel tickets purchased by the service provider for travel by the service recipient and used by the service recipient.

The distinction between expenses that are used and consumed by a service provider and expenses that are used solely by and solely benefit the service recipient is not in any way related to whether the service recipient is contractually obligated or otherwise required to reimburse the service provider for the expenses. Instead, as explained above, the taxability of an item that is the basis for an expense incurred by a service provider depends on how the item is used.

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.

LABOR CHARGE

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; **or**
- Any real property if it is one of the services listed in *Services Taxable to All Real Property* on Page 13.

Contractor's Labor Not Subject to Tax

A contractor's labor is not subject to tax when the service is performed on:

- New construction (except for services listed in *Services Taxable to All Real Property*);
- Owner-occupied residential property (except for services listed in *Services Taxable to All Real Property*);
- Charitable or religious organizations;
- Qualifying governmental agencies or their agents;
- Real property owned by federally recognized Indian tribes when the service is performed in federally recognized Indian country;
- Low and moderate-income housing;
- Contracts performed out-of-state;
- Hospitals and certain other exempt entities; **or**
- Real property located within a public right-of-way.

For more information on nontaxable contracts, see *Types of Nontaxable Contracts* on Page 16.

CONTRACTOR'S BILL TO THE FINAL CUSTOMER

The general contractor has two options to choose from when billing the final customer.

Option One

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

- Materials consumed, including tax paid on the materials;
- Service charges, including the markup on materials, overhead expenses, reimbursed expenses, labor charges, and profit; **and**
- Sales tax on the service portion of the bill, if applicable.

Example 1: The contractor bills its customer:

Taxable labor	\$ 600.00
Materials	\$ 400.00
Sales tax on labor (\$600 x 6.35%)	\$ 38.10
Total	\$ 1,038.10

Sales tax separately stated is held in trust and must be remitted by the contractor. In this example, the contractor must remit \$38.10 in tax with its return.

Option Two

The general contractor does not break the bill down. Only a total charge is shown on the bill. The bill includes:

- Materials consumed, including tax paid on the materials;
- Service charges, including the markup on materials, overhead expenses, reimbursed expenses, labor charges, and profit; **and**
- The phrase "sales tax included on services", if applicable.

Example 2: The contractor bills its customer:

Total labor and materials is \$1,063.50
(sales tax included on services)

The contractor must remit the sales tax on the service portion of the bill only with its return. If the contractor has already paid \$12.70 in tax to its vendors on material purchases of \$200, the sales tax on the \$800 service portion of the bill is \$50.80.

Sales tax on the service portion of the bill may be backed out by multiplying the entire service charge by .9403. The result equals gross receipts from services. Subtract the gross receipts from services from the entire service charge. See *Examples 3 and 4* in the Appendix.

Regardless of the option chosen, the general contractor must keep accurate records of the actual costs of materials and service, including all subcontracting costs. The general contractor charges tax to the final customer only on the service portion of the contract.

The purchaser of a taxable good or taxable service is responsible for paying use tax to DRS unless the retailer provides the purchaser with a receipt that shows sales tax was charged in one of the manners described above. See *Paying Sales or Use Tax on Purchases* on Page 20.

A sales invoice or an American Institute of Architects (AIA) document, such as an Application and Certificate for Payment and/or a Continuation Sheet, is an acceptable receipt. A contract does not constitute a receipt.

Tax Held in Trust

Some contractors have made the mistake of incorrectly reimbursing themselves for tax they paid on materials out of the tax they collect from their customers. Conn. Gen. Stat. § 12-408(2) provides that tax collected by a retailer is held in trust for the state and the entire amount of tax collected must be remitted to DRS (even if the tax was charged in error) or refunded to the customer.

Statutory Authority: Conn. Gen. Stat. § 12-408(2); § 12-411(2)

CONDOMINIUMS

If a condominium unit is occupied by the owner, it is considered residential real property. When a unit is rented, it is considered income-producing real property for the owner, but would still be treated as residential real property if the tenant purchases the service directly from the contractor. Therefore, if the contractor performs a service directly for the owner of the condominium unit and the service is a service to real property, the taxability depends on whether the unit is owner-occupied or rented.

If the contractor performs the service directly for a condominium association and the service is a service to real property, including common areas, under Conn. Gen. Stat. § 12-407(a) (37)(I), tax applies to the percentage of the service charge that equals the percentage of the total units that are rental units. See *Services Taxable to Certain Real Property* on Page 13.

Example: A condominium complex has a total of one hundred units. Forty of the units are owner-occupied and sixty are rental units. The sixty units are income-producing real property. If the contractor is performing a taxable service for the association, 60% of the service charge would be taxable. The contractor must obtain from the condominium association a completed **CERT-103, Residential Condominium Association**. CERT-103 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 contracts with a property management company to oversee the day-to-day operations of the association. The taxable portion of the management fee is equivalent to the percentage of rental units. The property management company may issue a resale certificate to a contractor 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 it resells.

Some services, such as landscaping and snow plowing, performed 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 owner-occupied units. The contractor must charge tax on the entire bill for these services. For examples of these services, see *Services Taxable to All Real Property* on Page 13.

EXEMPT PURCHASERS

Some purchasers of otherwise taxable contracting services are exempt from sales tax.

TYPES OF NONTAXABLE CONTRACTS

Contracts With Exempt Organizations

The following section describes the types of exempt organizations and states which exemption certificate must be issued by the organization to the contractor. The contractor should keep the applicable certificate with its records. A contractor performing work for one of these exempt organizations should issue a **CERT-141, Contractor's Exempt Purchase Certificate**, to its vendors for purchases of materials and supplies installed or placed in the project.

Turn-key contracts with governmental or other exempt entities, 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, do not qualify for exemption from tax.

- **Entity:** A charitable or religious organization that holds an Internal Revenue Service § 501(c)(3) or (13) determination letter or a valid exemption permit issued by DRS.

Certificate: **CERT-119, Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations;**

- **Entity:** Nonprofit charitable hospitals, nonprofit nursing homes, nonprofit rest homes, and nonprofit residential care homes licensed by the State of Connecticut under Chapter 368v of the Connecticut General Statutes.

Certificate: **CERT-113, Purchases of Tangible Personal Property and Services by Certain Hospitals, Nonprofit Nursing Homes, Nonprofit Rest Homes, or Nonprofit Residential Care Homes;**

- **Entity:** Tourism districts, as defined in Conn. Gen. Stat. § 10-397.

Certificate: **CERT-134, Exempt Purchases by Qualifying Governmental Agencies;**

- **Entity:** Materials Innovation and Recycling Authority (MIRA) (formerly, the Connecticut Resource Recovery Authority (CRRRA)) or a lessee or operator of a MIRA project.

Certificate: **CERT-131, Exemption for Projects of the Connecticut Resource Recovery Authority and Solid Waste-to-Energy Facilities.** CERT-131 may also be issued for purchases of services or tangible personal property used or consumed in operating a solid waste-to-energy facility.

Contracts With Governmental Agencies

Qualifying governmental agencies issue **CERT-134, Exempt Purchases by Qualifying Governmental Agencies**, to the contractor. Qualifying transactions with governmental agencies include:

- Sales to the United States government and its agencies;
- Sales to the State of Connecticut and its agencies;
- Sales to political subdivisions of Connecticut (cities and towns and their agencies, including municipal housing authorities);
- Sales of tangible personal property or services used to develop property that the State of Connecticut is under contract to purchase through a long-term financing contract;
- Sales in connection with the demolition, remediation or preparation of Adriaen's Landing and Rentschler Field; **and**
- Sales to tax districts.

Agent of the Government: A governmental agency may appoint a business to act as its agent to purchase goods and services. A principal-agent relationship exists between a business and a governmental agency when all of the following conditions are met:

- The business is expressly acting as an agent for the governmental agency. The contract between the business and the governmental agency must state that the business is acting as an agent for the governmental agency;
- All purchases made by the business for the governmental agency are used exclusively for the governmental agency's benefit; **and**
- The governmental agency issues CERT-134 to the business.

Using CERT-134: The governmental agency signs CERT-134, or in the alternative, the business appointed by the governmental agency (as explained above) signs CERT-134 as the purchaser and designates itself as agent of the governmental agency. The business attaches to the CERT-134 a copy of documentation from the governmental agency expressly designating the business as agent.

Federally Recognized Indian Tribes

Contractors performing services in Indian country of a federally recognized Indian tribe must receive a completed **CERT-127, Exempt Purchases by an Enrolled Member or by the Tribal Government of the Mashantucket Pequot Tribe or Mohegan Tribe**, from an enrolled member or agent of the Indian tribe. Purchases of tangible personal property outside of Indian country of the tribe by contractors or subcontractors

of the tribe for use in projects for the tribe within Indian country of the tribe are not subject to Connecticut sales or use tax provided the contractors or subcontractors comply with the provisions of Conn. Gen. Stat. §§ 12-407(a)(6) or 12-408c. See **Ruling No. 2002-3** for more information on purchases of tangible personal property within and outside of Indian country of the tribe.

Contractors issue **CERT-128, Exempt Purchases by Contractors in Connection With Construction Projects on the Mashantucket Pequot or Mohegan Reservations**, to their vendors when making purchases of tangible personal property where title passes to the contractor in Indian country of the tribe or where delivery of rented property is taken by the contractor in the Indian country of the tribe. The exemption only applies if the equipment is used exclusively and permanently in Indian country of the tribes and the entire cost of the purchase is passed on to the tribe or an enrolled member of the tribe.

Connecticut Innovations, Inc. (CII) (formerly, Connecticut Development Authority (CDA))

The CII approves certain projects for exemption under Conn. Gen. Stat. § 32-23h. Participants under this program and contractors for such projects should contact the CII and follow CII procedures.

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 using **REG-19, Application for a Facility Approval Letter**. The Facility Approval Letter acknowledges the facility is constructed under the sponsorship of, and owned or operated by, a nonprofit housing organization, as defined in Conn. Gen. Stat. § 12-412(29), or a municipal housing authority as defined in Conn. Gen. Stat. § 8-39. See **Policy Statement 2002(6), Sales and Use Tax Exemption for Low and Moderate Income Housing Facilities**.

The sponsoring party issues to the contractor a copy of the Facility Approval Letter specifically identifying the project. The effective date of the exemption is the issue date of the Facility Approval Letter.

Materials and Labor: To purchase exempt materials and services used in the construction, rehabilitation, renovation, repair, maintenance, or operation of the facility, the contractor must issue **CERT-126, 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 CERT-126 with the Facility Approval Letter attached from the sponsor, owner, operator, or another contractor.

Statutory Authority: Conn. Gen. Stat. § 12-412(29)

Waste Treatment Facilities

There is an exemption for tangible personal property incorporated into or consumed in the operation of industrial waste treatment facilities.

An industrial waste treatment facility treats industrial waste so it may be discharged into the waters of the state or into sewerage systems emptying into those waters. The primary purpose of the treatment is the reduction, control, or elimination of pollution of those waters.

The Department of Energy and Environmental Protection (DEEP) Bureau of Materials Management and Compliance Assurance – Water Permitting and Enforcement Division approves these exempt items.

Materials: Items that appear on the “List of Approved Water Pollution Equipment” contained in **Policy Statement 2014(1)**, *Tax Exemptions for Certain Water Pollution Control Equipment*, and will be incorporated into or used and consumed in the operation of an industrial waste treatment facility are exempt from tax. The contractor purchases the items exempt from tax by issuing its supplier a completed **CERT-124**, *Purchases of Tangible Personal Property Incorporated Into or Consumed in Water Pollution Control Facilities*.

If the item is not listed in Policy Statement 2014(1) but the purchaser intends to use or consume it in the operation of those facilities, the purchaser must receive written approval from DEEP indicating the 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 not covered by this exemption.

Labor: Services performed in the evaluation, treatment, containment, or removal of hazardous waste or other contaminants of air, water, or soil are taxable. See *Environmental Services*.

Contractors **do not** collect tax on labor in a project when incorporating the exempt materials into:

- New construction

Contractors **do** collect tax on labor in a project when incorporating the exempt materials into:

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

Statutory Authority: Conn. Gen. Stat. § 12-412(21)

Air Pollution Control Facilities

There is an exemption for tangible personal property incorporated into or used in an air pollution control facility. An air pollution control facility reduces, controls, or eliminates air pollution. The DEEP Bureau of Air Management approves these exempt items.

Materials: Items that appear on the "List of Approved Air Pollution Equipment" contained in **Policy Statement 99(2)**, *Tax Exemptions for Certain Air Pollution Control Equipment*, and will be incorporated into or used and consumed in the operation of an air pollution control facility are exempt from tax. The contractor purchases the item exempt by issuing to its supplier a completed **CERT-117**, *Purchases of Tangible Personal Property Incorporated Into or Consumed in Air Pollution Control Facilities*.

If the item is not listed in Policy Statement 99(2), but the purchaser intends to use or consume it in the operation of those facilities, the purchaser must receive written approval from DEEP that the 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 not covered by this exemption.

Labor: Services performed in the evaluation, treatment, containment, or removal of hazardous waste or other contaminants of air, water, or soil are taxable. See *Environmental Services*.

Contractors **do not** collect tax on labor in a project when incorporating the exempt materials into:

- New construction

Contractors **do** collect tax on labor in a project when incorporating the exempt materials into:

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

Statutory Authority: Conn. Gen. Stat. § 12-412(22)

Out-of-State Contracts

Labor: There is no Connecticut tax due on the contractor's labor performed on a project located outside the State of Connecticut. However, Connecticut tax may be due on materials consumed.

Materials: Tangible personal property shipped or brought into Connecticut that is subsequently transported outside of Connecticut for use thereafter solely outside Connecticut is not subject to Connecticut tax. Tangible personal property purchased from a Connecticut retailer, where title to the property passes in Connecticut, is subject to Connecticut tax even if the property is subsequently transported outside Connecticut for use solely outside Connecticut unless the Buy Connecticut provision applies.

Under the Buy Connecticut provision, businesses may apply to DRS 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 within three years of the date of purchase for exclusive use outside Connecticut, or will be incorporated into other property to be shipped outside Connecticut for exclusive use outside Connecticut.

This provision also allows the Commissioner of Revenue Services to issue permits that enable qualified purchasers to purchase the property without payment of the tax otherwise imposed by the Sales and Use Taxes Act. There is no requirement to ship tangible personal property by common or contract carrier if the taxpayer has a Buy Connecticut permit prior to the purchase. See **Special Notice 2001(5)**, *The "Buy Connecticut" Provision*.

Purchasing for Contracts With Exempt Entities

For information regarding purchasing materials and services while engaged in a contract with an exempt entity, see Page 23, *Purchasing Under Contracts With Exempt Entities*.

CONSTRUCTION CONTRACTS WITH DIRECT PAYMENT PERMIT HOLDERS

Different sales tax collection requirements apply when contractors enter into contracts with direct payment permit holders.

Direct payment permits allow permit holders to pay use tax directly to DRS rather than paying the sales tax to their vendors.

Renovation Construction Projects

Contractors that enter into renovation construction contracts with direct payment permit holders do not pay sales or use tax on the purchase of materials and supplies to be installed or permanently placed in the project. A contractor must pay tax to the vendor when purchasing, leasing, or renting tools and equipment and when buying items that will be

used or consumed during the project instead of installed or permanently placed.

The direct payment permit holder issues a copy of its **Form AU-621, Direct Payment Permit**, to the general contractor. The general contractor issues a copy of the direct payment permit and **CERT-133, Contractor's Exempt Purchase Certificate for a Renovation Contract With a Direct Payment Permit Holder**, to its suppliers when purchasing materials and supplies to be installed or permanently placed in a renovation project.

General contractors issue a resale certificate to their subcontractors for renovation labor resold to a direct payment permit holder.

The general contractor provides copies of the direct payment permit to all renovation project subcontractors. The subcontractor issues CERT-133 and a copy of the direct payment permit to its suppliers when purchasing materials and supplies to be installed or permanently placed in a renovation project without paying sales tax.

A direct payment permit holder self-assesses use tax on the total bill from the general contractor that includes:

- Materials and supplies installed or permanently placed in a renovation project; **and**
- Labor used in the renovation project.

New Construction Projects

Direct payment permit holders may not issue, and the general contractor may not accept, the direct payment permit for new construction projects. General contractors and subcontractors must pay sales and use taxes on purchases of materials and supplies installed or permanently placed in new construction projects and on purchases, leases, or rental of tools and equipment. CERT-133 and the direct payment permit cannot be used for new construction contracts.

Construction Projects That Involve Renovation and New Construction

When the general contractor is performing under a construction contract that involves both renovation and new construction, the general contractor must separately state the costs for the new construction and the renovation portions of the contract on the bill or invoice to the direct payment permit holder. This provides the direct payment permit holder with the actual cost of the renovation portion of the contract on which the use tax is self-assessed.

The direct payment permit holder must issue a copy of the direct payment permit to the general contractor for the renovation portion of the contract. The general contractor must attach a copy of the taxpayer's direct payment permit to CERT-133 and issue CERT-133 to its suppliers when purchasing materials and supplies to be installed or

permanently placed in the renovation portion of the project without paying sales tax. The general contractor provides copies of the direct payment permit to all subcontractors involved in the renovation portion of the project. The general contractor must issue a resale certificate to the subcontractors for the renovation labor to be resold to the direct payment permit holder.

The subcontractors must attach a copy of the taxpayer's direct payment permit to CERT-133 and issue CERT-133 to its suppliers when purchasing materials and supplies to be installed or permanently placed in the renovation portion of the project without paying sales tax.

Recurring Taxable Services Provided to Real Property Purchased by Direct Payment Permit Holders

A direct payment permit holder must issue a copy of the direct payment permit to the service provider when purchasing any taxable services provided to real property

such as property management, landscaping, janitorial, or maintenance services. The service provider must attach a copy of the taxpayer's direct payment permit to CERT-133 and issue CERT-133 to its suppliers when purchasing materials and supplies to be installed or permanently placed in the real property without paying sales tax.

The service provider supplies copies of the direct payment permit as well as a resale certificate to all subcontractors from which it is purchasing recurring taxable services for resale to the direct payment permit holder. The subcontractors must attach a copy of taxpayer's direct payment permit to CERT-133 and issue CERT-133 to its suppliers when purchasing materials and supplies to be installed or permanently placed in the real property without paying sales tax.

See **Informational Publication 2004(7)**, *Q & A on the Connecticut Direct Payment Permit Program*, for more information about direct payment permit holders.

Statutory Authority: Conn. Gen. Stat. § 12-409a

CONTRACTORS PAYING SALES OR USE TAX ON PURCHASES

Contractors are considered to be the consumers of the materials and supplies used to perform their contracting services. This means that the contractor must pay sales tax on their purchases and cannot buy materials with a resale certificate.

MATERIALS USED IN CONSTRUCTION CONTRACTS

Contractors are the consumers of materials and supplies used in fulfilling their construction contracts. This means the contractor pays tax on purchases of materials.

The only exceptions are:

- A. Use of a resale certificate. A resale certificate cannot be used 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 (windows, doors, lumber, sheet metal) to the property owner and states on the invoice all of the following:
 1. Charge for the materials;
 2. Exact quantity of materials being sold; **and**
 3. Additional price for which the contractor will install the products being sold.

In both cases, the contractor must charge sales tax on the materials and taxable labor, if any, unless the transaction qualifies for an exemption. These exceptions generally apply only to contractors that also maintain storefront

businesses, such as plumbing supply stores or lumberyards. Items taken from the inventory of a storefront business for use in a construction contract are subject to the use tax on their cost. The contractor is responsible for self-assessing the use tax and should not charge its customers tax on items taken from inventory. Contractors that only sell materials from their vehicles 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 their customers tax on these items.

Contractors must self-assess use tax when they purchase taxable goods for use in Connecticut from an out-of-state vendor not registered to collect Connecticut use tax. If the materials were purchased outside Connecticut for use on a Connecticut job and the tax paid to the other state is less than 6.35%, the difference between the Connecticut tax and the tax paid to the other state must be reported and paid to Connecticut. To self-assess use tax, the contractor should report the gross receipts for any use tax due on the appropriate line (Lines 4 – 6) on their sales tax return.

B. Material incorporated into charitable, religious or governmental property. 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 and remain in the real property. See *Purchasing Under Contracts With Exempt Entities* on Page 23.

Statutory Authority: Conn. Gen. Stat. § 12-430(5); Conn. Agencies Regs. § 12-426-18

TOOLS OF THE TRADE

Contractors must pay tax on the purchase, lease, or rental of all tools used in their trade. This includes hand tools, power tools, consumable products, ladders, scaffolding, and other equipment. Contractors must pay tax on tools even if they will use them on exempt projects.

Generally, 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, provided the retailer intends to resell the item traded. See **Informational Publication 2011(17)**, *Sales and Use Taxes on Returned Goods, Even Exchanges, and Trade-Ins*.

Statutory Authority: Conn. Gen. Stat. § 12-407(a)(8)(B)(v) and § 12-430a

CONTRACTOR'S PURCHASE OF SUBCONTRACTOR SERVICES

General contractors often purchase the services of subcontractors 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 both the following conditions are met:

- The subcontracting service is an integral, inseparable component of the service to be sold to the end customer. An integral, inseparable component is essential to complete the performance of the final service being sold. If the job is taxable, the contractor charges the end user tax on the entire service bill.

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 on 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; **and**

- Both the subcontracting service and the final service to be sold are services listed in Conn. Gen. Stat. § 12-407(a)(37) as taxable services. This means the resale certificate may not be used to purchase or sell:
 - a. Services performed on new construction (other than services taxable to all real property, see Page 13);

- b. Services performed on owner-occupied residential real property (other than services taxable to all real property, see Page 13);
- c. Any other taxable services not enumerated in § 12-407(a)(37), such as telecommunications services; **and**
- d. Nontaxable services such as engineering and architecture and design services.

Example 1: A property management company providing taxable services to industrial, commercial, or income-producing real property incurs long-distance telephone charges on behalf of its client in the course of performing its management services. The management company may not purchase telecommunications services on a resale basis because telecommunications services are not an integral, inseparable component of the services being sold and are not enumerated in Conn. Gen. Stat. § 12-407(a)(37).

Example 2: A contractor providing taxable renovation services to commercial, industrial, or income-producing real property purchases architectural services. The purchase of architectural services by the contractor is not a taxable service and may not be purchased on resale. The architectural services become an expense of the contractor and are part of the total service charge and subject to sales tax.

Subcontractor's Bill to General Contractor:

Subcontractors are responsible for paying tax on the materials used in performing a subcontract. Subcontractors may only resell the service portion of their bill. A subcontractor's bill to a general contractor should be broken out into two parts when the general contractor issues a resale certificate:

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

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

If the subcontractor **does not** break out the charge for materials from the charge for service, the general contractor is required to charge sales tax to the property owner on the entire amount of the subcontractor's bill.

If the service is performed for an exempt entity, a subcontractor may issue a resale certificate to the general contractor as long as the above conditions are met.

Example 1: A contractor providing taxable renovation services to a thrift shop owned by a church purchases the services of a janitorial company to clean up the job site. Because the janitorial service is an integral, inseparable component of the services being sold and is enumerated in Conn. Gen. Stat. § 12-407(a)(37), the contractor may issue a resale certificate to the janitorial company even though the job will ultimately be exempt because the renovation services are provided to a religious organization.

Example 2: A contractor enters into a construction contract with a nonprofit hospital to construct a new addition to a hospital building. The contractor obtains personnel from a personnel agency to provide carpentry services to the new addition. Because new construction is excluded from taxable services to existing industrial, commercial, or income-producing real property under Conn. Gen. Stat. § 12-407(a)(37), the personnel services do not become an integral, inseparable component of another taxable service under Conn. Gen. Stat. § 12-407(a)(37). The contractor is not allowed to purchase personnel services from a personnel agency using a resale certificate and must pay tax on the personnel services.

Statutory Authority: Conn. Gen. Stat. § 12-410(5)

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 transaction, the subcontractor must charge the general contractor tax on the service portion of the bill.

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

Option One

The subcontractor breaks the bill into three parts:

- Materials consumed, including tax paid on the materials;
- Service charges. Service charges include markup on materials, overhead expenses, reimbursed expenses, labor charges, and profit; **and**
- Sales tax on the service portion of the bill.

Option Two

The subcontractor does not break the bill down. Only a total charge is shown on the bill. The bill includes:

- Materials consumed including tax paid on the materials;
- Service charges. Service charges include markup on materials, overhead expenses, reimbursed expenses, labor charges, and profit; **and**
- The phrase "sales tax included on services".

Sales tax on the service portion of the bill is calculated by multiplying the entire service charge by .9403. The result equals gross receipts from services. Subtract the gross receipts from services from the entire service charge. The difference is sales tax on the service. See *Example 4* in the Appendix.

Both methods require the subcontractor to charge sales tax on the service portion of the contract.

Only the service portion of the general contractor's bill to the property owner is subject to tax since the subcontractor has already charged the general contractor tax on the subcontractor's service. See *Example 2* in the Appendix.

Temporary Personnel Agency Services

Purchases of temporary personnel agency services are subject to tax. A contractor may purchase temporary personnel services on a resale basis, if both of these conditions are met:

1. The temporary help must be an integral, inseparable component of the contractor's service. For example, carpenters and plumbers are an integral, inseparable component of the contractor's service, while secretaries and bookkeepers are not; **and**
2. The contractor must be performing a **taxable** service to real property.

As long as both of the above conditions are met, the contractor may purchase temporary help on a resale basis. 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. If the service is performed for an exempt entity, a resale certificate may be issued as long as the above conditions are met.

Example 1: A contractor constructing a new office building obtains personnel from a temporary personnel agency to provide electrical services. Because new construction is excluded from taxable services to industrial, commercial or income-producing real property under Conn. Gen. Stat. § 12-407(a)(37)(I), the contractor must pay tax on its purchase of the personnel services, which are enumerated under Conn. Gen. Stat. § 12-407(a)(37)(C).

Example 2: A general contractor providing taxable renovation services to an existing office building obtains personnel from a temporary personnel agency to provide plumbing services. Because the plumbing service is an integral, inseparable component of the general contractor's service being sold and is enumerated in Conn. Gen. Stat. § 12-407(a)(37), the general contractor may issue a resale certificate when purchasing the personnel services.

PURCHASING UNDER CONTRACTS WITH EXEMPT ENTITIES

Purchasing Materials

When a construction contract is with an exempt entity, the contractor may purchase materials and supplies to be installed or placed in the project exempt from tax. The materials and supplies must be installed or placed in the project and remain in the project after its completion. To purchase materials and supplies exempt from tax, the contractor issues a **CERT-141**, *Contractor's Exempt Purchase Certificate*, to its vendor. Examples of items likely to be exempt from these contracts are bathroom partitions, metal lockers, theater seats, and other items nailed, bolted, or screwed into the real property, as well as appliances and furniture not permanently affixed to the property, but that remain on the property after the contract is completed.

Upon completion of the project, the contractor must report and pay use tax on any materials still in inventory that were purchased exempt from tax. If materials or supplies are installed or placed in a project for an exempt entity and the contractor has already paid tax on the materials or supplies, the purchase price of the materials or supplies may be deducted on the next return as an adjustment.

Contractors are the consumers of all the tools, supplies consumed, and equipment used in fulfilling a construction contract. Contractors 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 determine if the service will be consumed or resold. Do not assume a contract with an exempt entity means all services can be bought exempt from tax. Only those services resold by the contractor can be purchased exempt from tax. To purchase services for resale, a resale certificate must be issued to the service provider. Services described in Conn. Gen. Stat. § 12-407(a)(37) can be resold if they become an integral and inseparable component of the service also enumerated in Conn. Gen. Stat. § 12-407(a)(37) being sold to the exempt entity. Services consumed by the contractor cannot be purchased for resale. If the contractor is purchasing and consuming a taxable service, the contractor must pay tax to the seller of the service.

Example: A contractor engaged in a contract with an exempt organization purchases secretarial services to process paperwork in the contractor's business office. These services are taxable to the contractor because it is a taxable service and the contractor is consuming them. The services cannot be purchased on resale because they are not considered an integral and inseparable component of the building contract with the exempt entity. However, if a general contractor hires a plumber for a renovation, a resale certificate may be issued to the plumber because the service is considered to be an integral and inseparable component of the building contract.

If the contractor is purchasing temporary personnel agency services, refer to the section on *Temporary Personnel Agency Services* on Page 22 to determine if the service can be purchased on a resale basis.

Statutory Authority: Conn. Agencies Regs. § 12-408(2); § 12-410(5); § 12-411(2)

NONRESIDENT CONTRACTOR REQUIREMENTS

Nonresident contractor means a contractor or subcontractor who does not maintain a regular place of business in Connecticut.

Resident contractor means a contractor or subcontractor who maintains a regular place of business in Connecticut.

Regular place of business means:

- Any bona fide office, factory, warehouse, or other space in Connecticut at which a contractor is doing business in its own name in a regular and systematic manner; **and** that is
- A place continuously maintained, occupied, and used by the contractor in carrying on its business through its employees regularly in attendance to carry on the contractor's business in the contractor's own name.

A regular place of business **does not include:**

- A place of business for a statutory agent for service of process or a temporary office whether or not it is located at the site of construction;
- Locations used by the contractor only for the duration of the contract, such as short-term leased offices, warehouses, storage facilities, or facilities that do not have full time staff with regular business hours; **or**
- An office maintained, occupied, and used by a person affiliated with a contractor.

Verified contractor means a nonresident contractor or subcontractor who:

- Is registered for all applicable taxes with DRS;

- Has filed all required tax returns with DRS;
- Has no outstanding tax liabilities to DRS;
- Has submitted a **Form AU-960, Nonresident Contractor Request for Verified Contractor Status**, and has been verified by DRS to meet the above requirements, and either:
 1. Has been registered for all applicable taxes with DRS for at least three years preceding the contract; **or**
 2. Posts with DRS a good and valid verification bond using **Form AU-961, Verification Bond**.

Unverified contractor means a nonresident contractor or subcontractor who is not a verified contractor.

All contractors, including nonresident contractors, are required to register with DRS for a *Sales and Use Tax Permit* as well as any other required taxes whether they are verified or unverified.

A nonresident contractor who would like to become verified files **Form AU-960, Nonresident Contractor Request for Verified Contractor Status**, and **Form AU-961, Verification Bond**.

Bond Requirements of Nonresident Contractors

Nonresident construction contractors are required to furnish security for Connecticut taxes arising from jobs performed in Connecticut.

- There are two classes of nonresident contractors: **verified** and **unverified**. A nonresident prime or general contractor may gain verified status and thus eliminate the requirement to file a surety bond with DRS, and a nonresident subcontractor may become verified and thus eliminate the requirement for the prime or general

contractor to hold back a portion of the amount owed the subcontractor under the contract.

- An unverified prime or general contractor is required to file a **single** surety bond for 5% of the entire project price with DRS when the contract price for the entire project is \$250,000 or more. A person doing business with an unverified prime or general contractor for such a project must obtain proof that the contractor has filed a bond with DRS, but is not required to withhold an amount from payment due to the contractor under the contract.
- A prime or general contractor must hold back 5% of the amount due to an unverified subcontractor until the subcontractor obtains and furnishes **Form AU-968, Certificate of Compliance**, from DRS. A Form AU-968 authorizes the prime or general contractor to release all or a portion of the amounts held back from payment to the unverified subcontractor.
- Compliance with the provisions of Conn. Gen. Stat. § 12-430(7) relieves the person doing business with a nonresident contractor from liability for the nonresident contractor's withholding tax liability or liability for sales or use tax on materials and consumables. It does not relieve the person doing business with a nonresident contractor from liability for sales or use tax on purchases of services.

Owners or tenants of residential real property are not required to comply with the nonresident contractor requirements of Conn. Gen. Stat. § 12-430(7).

See **Special Notice 2012(2), 2011 Legislative Changes to the Procedures Governing Nonresident Contractors**.

Statutory Authority: Conn. Gen. Stat. § 12-430(7)

CLOSING A BUSINESS

If a contractor is closing their business, they must file a final sales and use tax return. Check the box indicating that the contractor is out of business and complete the return to report sales made and taxes due, if any. Enter the last date of business in the designated space, sign the return, and file it on time. If the business files or is required to file electronically, close the business through the **TSC** and destroy the *Sales and Use Tax Permit*. If the business is allowed to file paper returns, complete the back of the *Sales and Use Tax Permit* and return it in the same envelope with the final return.

The business may also have to contact other state agencies, such as the Secretary of the State, to properly close the business entity tax or corporation tax accounts. If a business is not properly closed, future liabilities or obligations may be assessed.

THE DETAILS

AIR CONDITIONING

(See *Central Air Conditioning and Ventilation Systems*)

ALARM SYSTEMS AND CLOSED CIRCUIT TELEVISION SYSTEMS (CCTV)

Permanent Installation

Permanently installed means 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:

<i>Horn or siren</i>	<i>Smoke or fire detectors</i>
<i>Keypad</i>	<i>Wire</i>
<i>Motion detectors</i>	<i>Monitors</i>

Labor: The contractor does **not** collect tax when the alarm system is permanently installed in:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when the alarm system is permanently installed in:

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

Repairs and Maintenance

The contractor **must collect** tax on:

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

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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the alarm or CCTV system without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a maintenance, repair, or warranty contract are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

Monitoring Services

Tax **is collected** on the sale of a monitoring contract.

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 12-426-27(b)(5), *Private investigation, protection, patrol, watchman and armored car services*.

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 buildings are real property, not tangible personal property. As such, payments for the right to attach equipment to the towers are not the sale or lease of tangible personal property and, therefore, are not taxable. Services performed on the towers themselves or the buildings around them are services to commercial, industrial, or income-producing real property. However, services performed on 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** collect tax when performing services to:

- New construction

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

- Existing communications towers

Installation of Equipment on Communications Towers

Labor: The contractor does **not** collect 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 collect** tax on:

- The sale or renewal of a repair, maintenance, or warranty contract on the equipment; **and**
- 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 bill to the customer should be broken down into two components:

- Integral parts
- Labor

The total bill is subject to tax when (except when the service is performed under a warranty contract) the service is performed on:

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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the equipment without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 18. Also see *Warranty Contracts* on Page 18 for more information on warranty contracts.

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*.

APPLIANCES

(See Kitchens and Telephone, Audio-Visual, and Computer Cable or Wiring)

APPRAISAL, REAL ESTATE

Real estate appraisal services are **not** subject to sales and use taxes.

ARCHITECTURAL SERVICES

In general, architectural services are not subject to sales and use taxes. When a contractor purchases architectural services, the contractor is purchasing a nontaxable service. However, if the contractor bills the property owner for the architectural services consumed as a reimbursed expense, the architectural services become part of the gross receipts for the contractor's labor. Therefore, for example, if the contractor is providing taxable renovation services to commercial, industrial, or income-producing property, the total service charge, including the reimbursement for architectural services, is subject to sales tax. See *Example 2* on Page 21.

AUDIO-VISUAL CABLE OR WIRING

(See Telephone, Audio-Visual, and Computer Cable or Wiring)

AWNINGS

(See also *Standard Units of Equipment*)

Installations

A retailer of awnings is selling tangible personal property.

The retailer of awnings can purchase the awnings without paying tax by using a resale certificate. The retailer of awnings must collect tax on the sale of the awnings.

Separately stated charges for installing the awnings are not subject to tax when the awnings are placed on:

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

Repair or Maintenance Services to Awnings Removed From a Building or Structure

Repair or maintenance services, such as removal, repair, cleaning, and reinstallation, whether or not separately stated, performed on an awning that has been removed from a building or structure are considered repair or maintenance services to tangible personal property. The service provider must collect tax on the total charge for repair or maintenance services. However, the removal or reinstallation of awnings not related to repair or maintenance services of awnings are not taxable.

Maintenance Services to Awnings Attached to a Building or Structure

Maintenance services performed on an awning that remains attached to a building or structure are considered maintenance services to real property. The service provider must collect tax when performing maintenance services to:

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

The maintenance service provider pays tax on the purchase of materials and supplies used in performing the maintenance service. The maintenance service provider is the consumer of these materials and supplies.

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

BATHROOMS

(See also *Standard Units of Equipment*)

Installation

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

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

* Contractors installing cabinets should review **Policy Statement 94(7), Fabrication and Installation of Stock and Custom Cabinets**, to determine the proper tax treatment.

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

- New construction
- Owner-occupied residential property

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

- New construction
- Owner-occupied residential property

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

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

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

Brick washing is a maintenance service to real property. See *Maintenance Services to Real Property*.

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 that will be physically incorporated into the project without payment of tax by issuing a resale certificate to the vendor.

Labor: The contractor **must collect** 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 and Horticulture Services*, *Maintenance Services to Real Property*, and *Painting, Staining, Varnishing, and Waterproofing*.

BUILDING ENGINEERING, BUILDING PLANNING OR DESIGN SERVICES

In general, building engineering and building planning or design services are not subject to sales and use taxes. When a contractor purchases any of these services, the contractor is purchasing a nontaxable service. However, if the contractor bills the property owner for the building engineering and building planning or design services consumed as a reimbursed expense, those services become part of the gross receipts for the contractor's labor. Therefore, for example, if the contractor is providing taxable renovation services to commercial, industrial, or income-producing property, the total service charge, including the reimbursement for building engineering and building planning or design services, is subject to sales tax. See *Example 2* on Page 21.

CABINETS

(See *Bathrooms, Kitchens, and Standard Units of Equipment*)

CARPENTRY

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** collect tax when performing carpentry services to:

- New construction
- Owner-occupied residential property

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

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

CARPET CLEANING

(See *Janitorial Services*)

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:

blowers *central air conditioning units*
duct work *control devices*

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

- New construction
- Owner-occupied residential property

The contractor **must collect** 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 collect** tax on:

- 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 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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the air conditioning system without paying sales tax to the vendor by issuing a resale certificate.

These parts include, but are not limited to:

blowers *excess moisture drains*
coils *fans*
compressors *filters*
condenser coils *refrigerant*
control devices *refrigerant tubes*

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

See the *Interior Sheet Metal* section of this guide for tax treatment of the cleaning and maintenance of interior duct work.

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

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:

vacuum units *wall outlets*
pipe *control devices*
tubing

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

- New construction
- Owner-occupied residential property

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

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

Repairs and Maintenance

The contractor **must collect** tax on:

- 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 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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the central vacuum system without paying sales tax to the vendor by issuing a resale certificate.

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. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

The repair, cleaning, and maintenance of the interior piping of the system follows the taxation rules for installation of a system.

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

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** collect tax when installing or repairing (such as fixing cracks and repointing) the above items in:

- New construction
- Owner-occupied residential property

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

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

See the *Exterior Sheet Metal Work* section of this guide for services performed to the flashing.

CHIMNEY CLEANING

Chimney cleaning is a maintenance service. The contractor pays tax on the purchase of all cleaning supplies. The contractor **must collect** tax on the total charge for chimney cleaning when the service is performed on:

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

CLEAN ROOMS/HVAC SYSTEMS

(See also *Heating Systems and Ventilation Systems*)

This section covers the construction of clean rooms (enclosed, environmentally controlled areas) and the installation of systems used to regulate the temperature, humidity, and contamination of the rooms by heating, ventilation, and air conditioning (HVAC) contractors.

For transactions where a contractor is purchasing exempt property for use by an exempt user, refer to **Announcement 2006(7)**, *Purchases of Tangible Personal Property by Contractors for Construction Contracts with Qualified Entities*.

Materials: The taxability of the construction of clean rooms is controlled by Conn. Agencies Regs. § 12-426-18. Consequently, contractors pay the tax as a consumer on the purchase or lease of all materials, supplies, or equipment used in fulfilling its contract.

Contractors may make purchases of component parts for assembly of machinery exempt from sales and use taxes under Conn. Gen. Stat. § 12-412(73) when the clean room is part of a manufacturing process. Clean room machinery may include heating, cooling, dehumidifying, and air filtration systems. Clean room machinery does not include the walls, floors, ceilings, and exterior portions of the room.

Labor: The contractor does **not** collect tax on the construction of clean rooms that are part of:

- New construction

The contractor **must collect** tax when constructing clean rooms that are in:

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

Repair or Maintenance

A contractor repairing or maintaining HVAC units is performing taxable maintenance and repair services on tangible personal property. Sales of items of tangible personal property to contractors performing the service are taxable unless the items are integral parts. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11.

A contractor that both installs and repairs or maintains HVAC systems used in clean rooms may purchase items of **inventory** that can be used in both installation and repair, such as wiring or piping, on a resale basis. If the item is used for installation, the contractor must self assess use tax on the purchase price of the item. If the item is used for repair purposes, the contractor must collect tax from its customer. The contractor cannot use a resale certificate to purchase items that can only be used in an installation, such as ventilation units, etc.

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

COMPUTER CABLE OR WIRING

(See *Telephone, Audio-Visual, and Computer Cable or 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** collect tax when performing carpentry services to:

- New construction
- Owner-occupied residential property

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

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

Site improvements that put the property to a new use are new construction (see Page 14). 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.

For the repair of decks at a condominium complex, see *Condominiums* on Page 16.

DEMOLITION

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

Labor: The contractor does **not** collect tax when demolition services are performed on:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when demolition services are performed on:

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

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

DREDGING

Dredging services are performed to create or maintain a certain depth in bodies of water. Dredging includes excavation of earth to reach the water line and removal of excavated or dredged material. Dredging does not include services provided to piers or docks.

Dredging of Publicly Owned Navigable Waters

Dredging in, adjacent to, or to create access to publicly owned navigable waterways, such as Long Island Sound, lakes, rivers, streams, or wetlands, is not taxable. This includes dredging to create or maintain areas such as harbors, channels, marinas, and ports that are in, adjacent to, or that lead to navigable bodies of water, whether or not dredged areas are privately owned, and regardless of the purpose of the dredging. **Publicly owned** means owned by the federal government, a state, or a political subdivision of a state.

Dredging of Privately Owned Ponds, Lakes, Streams, or Inland Wetlands

Dredging to reconstruct, remodel, or repair privately owned ponds and dredging of existing privately owned ponds, lakes, streams, or inland wetlands are taxable services, except when performed adjacent to, or to create access to publicly owned navigable waterways as described above.

Dredging performed to construct, remodel, or repair privately owned ponds is taxable as a landscaping service. Dredging of existing privately owned ponds, lakes, streams, or inland wetlands are taxable maintenance services even if the body of water is navigable. These dredging services are taxable when performed on:

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

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

DRIVEWAYS, PARKING LOTS, AND WALKWAYS

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

(For brick, stone areas, or concrete pavers, see *Landscaping and Horticulture Services*)

DUCT WORK

(See *Interior Sheet Metal and Ventilation Systems*)

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:

<i>circuit breakers</i>	<i>main power boxes</i>
<i>outlets</i>	<i>receptacles</i>
<i>switches</i>	<i>wall boxes</i>
<i>wall fixtures</i>	<i>wiring</i>
<i>door bells, buzzers, and chimes</i>	

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

- New construction
- Owner-occupied residential property

The contractor **must collect** 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 vacuum units, refrigeration units, modular lighting units, pumps, and alarm systems.

The contractor **must collect** 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 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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for electrical devices without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

ELEVATORS AND ESCALATORS

(See also *Inclined Stairway Chairlifts*)

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** collect tax when installing an elevator or escalator in:

- New construction
- Owner-occupied residential property

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

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

Repairs and Maintenance

The contractor **must collect** tax on:

- 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 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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for elevators or escalators without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

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.

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

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 the items on resale and must collect tax on the items.

Labor: The energy audit contractor does **not** collect tax when the audit is conducted on:

- New construction
- Owner-occupied residential property

The energy audit contractor **must collect** 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

ENERGY EFFICIENT HEATING, COOLING, AND GENERATING SYSTEMS

There is an exemption from Connecticut sales and use taxes for sales of solar energy electricity generating systems, passive or active solar water or space heating systems, and geothermal resource systems. The exemption includes equipment related to the systems mentioned above and sales of services relating to the installation of the systems.

There is also an exemption for sales of ice storage systems used for cooling by a utility ratepayer who is billed by the utility company on a time-of-service metering basis. Additionally, this exemption includes equipment related to ice storage systems and sales of services related to the installation of the systems.

See **Special Notice 2007(7)**, *2007 Legislation Granting a Connecticut Sales and Use Tax Exemption for Sales of Solar Heating Systems, Solar Electricity Generating Systems, and Ice Storage Cooling Systems*.

ENVIRONMENTAL SERVICES

Services performed in the voluntary or involuntary evaluation, prevention, treatment, containment or removal of hazardous waste or other contaminants of air, water or soil are included as taxable services to industrial, commercial or income-producing real property. Such services are nontaxable when performed on residential real property. See **Special Notice 95(17)**, *Certain Environmental Services Excluded from Sales and Use Taxes*, for guidance as to the definitions of *hazardous waste* and *other contaminants* that remain applicable.

Labor: The environmental services contractor does **not** collect tax when the service is performed on:

- New construction
- Owner-occupied residential property

The environmental services contractor **must collect** tax to the customer when the services are performed on:

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

Environmental consulting services are not taxable, as long as the charge for such services is separately stated from taxable charges.

EXCAVATING, GRADING, AND LAND CLEARING

1. Not Related to Landscaping

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

- New construction
- Owner-occupied residential property

The contractor **must collect** 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 performed on:

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

See *Landscaping and Horticulture Services* and *Landscape Architectural Services*, for related information.

EXTERIOR SHEET METAL WORK

(See also *Gutters*)

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** collect tax when installing or repairing exterior sheet metal work in:

- New construction
- Owner-occupied residential property

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

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

See Conn. Agencies Regs. § 12-407(2)(i)(I)-1, *Services to industrial, commercial 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 collect** tax on the customer's total bill when the service is performed on:

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

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 and Horticulture Services, Silt Fencing and Underground Pet Barrier Systems*)

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

Labor: Except as discussed below, the contractor **must collect** tax when installing the fence on:

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

The installation of any chainlink fencing and the installation of any fencing used to contain livestock on a farm are not considered landscaping services. The installation of any chainlink fencing and any fencing used to contain livestock on a farm is taxable as a service to real property under Conn. Gen. Stat. § 12-407(a)(37)(I) when performed on existing industrial, commercial, or income-producing real property.

The construction, remodeling, or repair of fences is presumed to be a taxable landscaping service until the contrary is established. This presumption may be rebutted if it is clearly established that the services performed 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 performed are not intended to be landscaping services. When the services are not considered to be landscaping services, they are treated as services to real property.

The following information applies to the construction, remodeling and repair of fences when they are services to real property and not considered landscaping services.

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

Labor: The contractor does **not** collect tax when installing a fence on:

- New construction
- Owner occupied residential property

The contractor **must collect** tax when installing the fence on:

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

FIRE, WATER, AND WIND DAMAGE

(Cleaning, deodorizing, and removal of water or debris)

The contractor **must collect** tax on the total bill when this service is performed on:

- 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 and Horticulture Services*.

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

FIREPLACES

Installation or Repair

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** collect tax when installing, repairing, fixing cracks, or repointing the fireplace in:

- New construction
- Owner-occupied residential property

The contractor **must collect** 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, including peel-and-stick tiles)

Wall-to-wall and other carpet installations are generally services to real property. If the carpet is glued or cemented to subflooring, it is considered permanently affixed to the structure and is a service to real property.

Materials: The contractor must pay tax on the purchase of the carpet when it is glued or cemented to the floor.

Labor: The flooring contractor does **not** collect tax when permanently installing carpeting in:

- New construction
- Owner-occupied residential property

The contractor **must collect** 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)

If the carpet is tacked or nailed to the floor, it is nonpermanent installation of carpet and is not a service to real property.

Materials: The installer is considered a retailer of carpet and purchases the carpet without payment of tax by issuing a resale certificate to the carpet wholesaler and collects tax on the sale to the end customer.

Labor: The contractor does **not** collect 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. Floating Floors

Nonpermanent Installation

The installation of floating floors is nonpermanent installation of flooring and is not a service to real property.

Materials: The installer is considered a retailer of the flooring and purchases the flooring without payment of tax by issuing a resale certificate to the flooring wholesaler and collects tax on the sale to the end customer.

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

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

3. Floor Coverings Other Than Carpet and Floating Floors

These services are a service to real property and also include all necessary surface and other preparations prior to the actual installation.

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

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

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

- New construction
- Owner-occupied residential property

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

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

Other Separately Stated Labor Charges

Other types of separately stated labor charges that may appear on the customer's invoice in connection with the permanent and nonpermanent installation of floor coverings include labor to move furniture, labor to rip up the old carpet, and disposal of the old carpet. When separately stated, the charges for labor to move furniture are not subject to sales and use taxes. However, the separately stated charges for labor to rip up and discard the old carpet are treated as charges for refuse removal. Refuse removal services are not subject to tax when performed on new construction or owner-occupied residential property. Refuse removal

services performed on existing commercial, industrial, or income-producing real property are subject to tax.

Cutting and binding services performed on carpet remnants that will be sold as tangible personal property are taxable as fabrication labor. See Conn. Gen. Stat. § 12-407(a)(2)(G).

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.

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

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

- Owner-occupied residential property

The contractor **must collect** 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>rollers</i>	<i>tracks</i>
<i>trim</i>	<i>springs</i>	<i>sensors</i>

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

- New construction
- Owner-occupied residential property

The contractor **must collect** 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).

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** collect 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 collect** 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 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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the electric garage door openers without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

GARBAGE DISPOSALS

Installation

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

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

- New construction
- Owner-occupied residential property

The contractor **must collect** 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:

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

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 performed on:

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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the garbage disposal without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

GAZEBOS

(See *Sheds and Gazebos*)

GUTTERS

(See also *Exterior Sheet Metal Work and Maintenance Services to Real Property*)

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

Labor: The contractor does **not** collect tax when installing the gutters in:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when installing the gutters in:

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

The cleaning of gutters and downspouts is taxable as a maintenance service to real property.

HATCHWAYS

(See *Standard Units of Equipment*)

HAZARDOUS WASTE AND OTHER CONTAMINANTS OF AIR, WATER OR SOIL

(See *Environmental Services*)

HEATING SYSTEMS

(See also *Clean Rooms/HVAC Systems*)

Installation

Heating systems include but are not limited to:

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

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

<i>furnace</i>	<i>fuel lines</i>
<i>duct work</i>	<i>above ground oil tanks</i>
<i>blowers</i>	<i>thermostats</i>
<i>control devices</i>	<i>hot water heaters</i>
<i>humidifiers (permanently installed)</i>	

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

- New construction
- Owner-occupied residential property

The heating contractor **must collect** 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 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 there is no additional charge for the repair.
-

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 performed on:

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

A service charge to diagnose a problem with a heating system is a taxable maintenance and repair service to tangible personal property.

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the furnace, oil burner, and blower without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

For the tax treatment of the cleaning and maintenance of the interior duct work, see the *Interior Sheet Metal* section of this guide.

See also *Energy Efficient Heating, Cooling and Generating Systems* for information about an exemption from sales and use taxes for solar energy electricity generating systems, passive or active solar water or space heating systems, geothermal resource systems, and ice storage systems used for cooling.

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

HOME ENTERTAINMENT/HOME THEATER SYSTEMS

For services provided by a contractor, see *Telephone, Audio-Visual, Electrical, and Computer Cable or Wiring*.

Components and Materials

Installation provided as part of the sale

When a retailer of televisions, audio equipment, and home entertainment/theater systems sells the components and also agrees to install those components into the customer's home or business, the retailer must collect sales tax on the sale price of the components, including any delivery fees.

Installation Labor

The separately stated charges for the nonpermanent installation labor and charges for connecting the individual components are not subject to tax. However, charges for any television calibration services are taxable whether performed as part of the original setup and installation or performed by a third party vendor.

Permanent Installation

If any of the wiring for the components or the sound system will be permanently installed into the property where the wire will be run behind walls, above the ceiling, or below the floor, the charge for permanent installation is a service to real property.

The retailer does **not** collect tax when performing permanent installation services to:

- New construction
- Owner-occupied residential property

The retailer **must collect** tax when performing permanent installation services to:

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

HOT TUBS, SPAS, AND SAUNAS

Installation of Stand-Alone Hot Tubs and Spas

Stand-alone hot tubs and spas include, but are not limited to portable hot tubs and spas, move and plug-in hot tubs and spas, and hot tubs and spas not permanently installed into real property. The installation of a stand-alone hot tub and spa is not a service to real property because the hot tub and spa is considered to be tangible personal property and follows the rules for installation labor for tangible personal property. The installer is considered a retailer of hot tubs

and spas 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** collect tax on separately stated installation labor when installing the hot tub and spa on:

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

There are stand-alone hot tubs and spas that require the installation of a concrete pad, an electrical circuit, and a gas line if the heater is to be fueled by gas. The installation of these three items is a service to real property.

Labor: The contractor does **not** collect tax on separately stated installation labor when installing the concrete pad, electrical circuit, and gas line in:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when installing the concrete pad, electrical circuit, and gas line in:

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

Repairs to Stand-Alone Hot Tubs and Spas

Repairs include, but are not limited to replacing a cover or repairing the vinyl or wood frame of the hot tub or spa.

The hot tub and spa contractor performing repair or maintenance services can purchase integral parts for the stand-alone hot tub and spa without paying sales tax to the vendor by issuing a resale certificate.

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

- Integral parts
- Labor

The total bill is subject to tax when the stand-alone hot tub and spa repair is performed on:

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

Installation of Built-in Hot Tubs and Spas

Materials: The contractor pays tax on all purchases of materials incorporated into the built-in hot tub and spa including, but not limited to:

<i>built-in lights</i>	<i>lumber</i>
<i>cement</i>	<i>pipes</i>
<i>filters</i>	<i>pumps</i>
<i>heaters</i>	<i>hot tub and spa kits</i>
<i>gravel</i>	<i>tile</i>
<i>liners</i>	<i>valves</i>

Labor: The contractor does **not** collect tax when constructing the original built-in hot tub and spa in:

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

The installation of a built-in hot tub and spa is considered a site improvement which puts the property affected to a new use. Therefore, the original construction of a built-in hot tub and spa, where a built-in hot tub and spa never existed before, is considered a new construction contract.

Repairs to and Replacement of Built-In Hot Tubs and Spas

The replacement of an existing built-in hot tub and spa is not considered a site improvement and, therefore, follows the rules for repairing a built-in hot tub and spa.

Repairs to built-in hot tubs and spas include, but are not limited to filling in cracks in the cement, replacing broken tiles, replacing or patching cracked linings, and replacing built-in lighting fixtures.

Materials: The contractor pays tax on all purchases of materials used in repairing the built-in hot tub and spa including, but not limited to:

<i>cement</i>	<i>tile</i>	<i>vinyl lining</i>
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Labor: The contractor does **not** collect tax when repairing or renovating a built-in hot tub and spa built on:

- Owner-occupied residential property

The contractor **must collect** tax when repairing or renovating a built-in hot tub and spa built on:

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

Cleaning and Maintenance to Both Stand-Alone and Built-In Hot Tubs and Spas

Materials: The hot tub and spa cleaning and maintenance contractor pays tax on all purchases of materials used in cleaning or maintaining hot tubs and spas.

Labor: The contractor **must collect** tax when performing hot tub and spa cleaning and maintenance services to:

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

Repairs to Hot Tub and Spa Filters, Heaters and Pumps

The contractor **must collect** tax on:

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

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

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, heater, or pump is subject to tax when these services are performed on:

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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the filter, heater, or pump without paying sales tax to the vendor by issuing a resale certificate.

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

contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

HOUSE WASHING

(See *Maintenance Services to Real Property and Painting, Staining, Varnishing, and Waterproofing*)

INCLINED STAIRWAY CHAIRLIFTS

Installations

A retailer of inclined stairway chairlifts sells tangible personal property.

The retailer of inclined stairway chairlifts can purchase the inclined stairway chairlifts without paying tax by using a resale certificate.

The sale of inclined stairway chairlifts for persons with physical disabilities is exempt from sales and use taxes. The installation of these inclined stairway chairlifts is also exempt from sales and use taxes even if the installation charge is not separately stated on the bill or invoice to the customer.

The charges for installing the inclined stairway chairlift are not taxable when installed in:

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

Repair or Maintenance Services Provided to Inclined Stairway Chairlifts

Repair or maintenance services performed on inclined stairway chairlifts for persons with physical disabilities are exempt from sales and use taxes.

The contractor performing repair or maintenance services can purchase integral parts without paying sales tax to the vendor by issuing a resale certificate. The sales of repair or replacement parts for inclined stairway chairlifts are also exempt from tax. For the definition of *integral part*, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11.

INSPECTIONS

(See *Structural Inspection*)

INTERIOR DECORATORS

Interior design and decorating services include, but are not limited to the selection, procurement, and arrangement of the surface coverings, draperies, furniture, furnishings, and other decorations for the interior of a home or building; counseling with respect to the decorations; and incidental services.

Materials: An interior designer may also be a retailer of tangible personal property and must register with DRS to collect sales and use taxes including the sale of items such as draperies, furniture, furnishings, and other decorations for the interior of a home or building in their charges to the customer. If registered to collect sales and use taxes, the interior designer may purchase these items on resale, but must collect tax from their customer.

Labor: The interior design and decorating services are **not** subject to sales and use taxes.

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** collect tax when installing the interior duct work in:

- New construction
- Owner-occupied residential property

The sheet metal contractor **must collect** tax when installing the interior duct work in:

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

Repairs, Cleaning, and Maintenance

The contractor does **not** collect tax for the repairing, cleaning, and maintenance of interior duct work when performed in:

- New construction

- Owner-occupied residential property

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

- Existing commercial property
 - Existing industrial property
 - Existing income-producing property
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JANITORIAL SERVICES

(See also *Maintenance Services to Real Property*)

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 of the property. The services are of the type performed by a janitor in the regular course of duty, and may be performed alone or in conjunction with other services. Janitorial services are performed either on a scheduled basis, 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>floor cleaning</i>
<i>(permanently and</i>	<i>power washing</i>
<i>nonpermanently</i>	<i>vacuuming</i>
<i>installed)*</i>	<i>wall cleaning</i>
<i>ceiling cleaning</i>	<i>waxing/polishing</i>
<i>disinfecting</i>	<i>furniture</i>
<i>dusting</i>	<i>woodwork cleaning</i>
<i>emptying waste baskets</i>	

* Carpet cleaning at the customer's premises is taxable as a janitorial service. However, where non-permanent carpeting is removed from the premises for cleaning, the transaction is not taxable.

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 collect** tax when the service is performed on:

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

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

KITCHENS

Installation

Built-In Materials and Free Standing Appliances

Materials: The contractor pays tax on all purchases of built-in materials and free standing appliances that will be incorporated into the kitchen including, but not limited to:

Built-In Appliances

<i>built-in dishwasher</i>	<i>ducted hood</i>
<i>built-in microwave oven</i>	<i>exhaust fan</i>
<i>built-in range</i>	<i>faucets</i>
<i>built-in refrigerator</i>	<i>garbage disposal</i>
<i>cabinets*</i>	<i>sinks</i>
<i>counter tops</i>	

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

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when installing built-in items in:

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

* Contractors installing cabinets should review **Policy Statement 94(7)**, *Fabrication and Installation of Stock and Custom Cabinets*, to determine the proper tax treatment.

Free Standing Appliances

<i>clothes dryer</i>	<i>dishwasher</i>
<i>microwave ovens</i>	<i>oven</i>
<i>range</i>	<i>refrigerator</i>
<i>washing machine</i>	

Labor: The installation of appliances that are not installed into the real property, such as the appliances listed above as free standing appliances, is considered installation of tangible personal property. Separately stated charges for the installation of tangible personal property are not taxable.

Repairs and Maintenance

Repair services to any electrical or electronic device are taxable. These items include, but are not limited to:

<i>built-in dishwashers</i>	<i>exhaust fans</i>
<i>built-in microwave ovens</i>	<i>garbage disposals</i>
<i>built-in ranges</i>	<i>microwave ovens</i>

<i>built-in refrigerators</i>	<i>ovens</i>
<i>clothes dryers</i>	<i>ranges</i>
<i>ducted hoods</i>	<i>refrigerators</i>
<i>dishwashers</i>	<i>washing machines</i>

The contractor **must collect** tax on:

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

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

- Integral parts
- Labor

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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for these appliances without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of **integral part**, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

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*.

LANDSCAPE ARCHITECTURAL SERVICES

The functions normally involved in landscaping or horticultural services are taxable no matter who provides the services. However, services performed by a licensed civil engineer or landscape architect are not taxable as landscaping and horticultural services if those services are normally considered to be part of civil engineering or landscape architecture.

Examples of services considered to be part of civil engineering or landscape architecture services and are not taxable as landscaping and horticulture services when

performed by a licensed civil engineer or landscape architect include site assessment and analysis, environmental impact studies, master planning, preparation of wetland approval packages, hydraulic or hydrologic analysis, preparation of site layout or utility layout, preparation of storm water management plans, preparation of design development drawings, preparation of site plan approval packages, preparation of site construction drawings, and meetings with regulatory agencies governing design parameters.

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

LAND SURVEYING SERVICES

In general, land surveying services are not subject to sales and use taxes. When a contractor purchases land surveying services, the contractor is purchasing a nontaxable service.

However, if the contractor includes the land surveying services on the bill to the property owner as a reimbursed expense, the land surveying services become part of the gross receipts for the contractor's labor. Therefore, for example, if the contractor is providing taxable renovation services to commercial, industrial, or income-producing property, the total service charge, including the reimbursement for land surveying services, is subject to sales tax.

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>vegetables</i>
<i>fruits</i>	<i>shrubs</i>	

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

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

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

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

Excavating, land clearing, and rough grading services performed as an integral part of a landscaping job are also taxable as landscaping services. However, tree removal on new building lots is an exempt land clearing service.

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

- irrigation/sprinkler systems*
- patios (other than poured concrete or asphalt)*
- walkways (other than poured concrete or asphalt)*
- driveways (other than poured concrete or asphalt)*

Construction of poured concrete or asphalt patios and walkways is treated as a paving service to real property and is not taxable when performed on new construction (first time paving). However, repairing pavement and repaving are taxable when performed on existing commercial, industrial, or income-producing real property. See *Paving*.

The construction, remodeling or repair of ponds, fences, gates, and walls (other than walls that are part of the structure of a building) are presumed to be landscaping services until the contrary is established.

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 performed are not landscaping services. Likewise, building a retaining wall required by a city or town is not a landscaping service. The construction, remodeling or repair of chain-link fences and fences to contain livestock on a farm are not considered landscaping services. The non-landscaping services are not taxable when performed on new construction or owner-occupied real property but are taxable if performed on existing industrial, commercial, or income-producing property.

* See *Fencing* on Page 36 and *Silt Fencing* on Page 56 for exceptions to landscaping services.

The tax treatment of materials and the total bill described below apply to fences when they are treated 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 landscaper/horticulturist **must collect** tax on the labor, installation, 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

Landscaping and horticulture services performed at the residence of a person receiving total disability payments under Social Security are not subject to tax. The landscaper/horticulturist should obtain **CERT-121**, *Exemption for Landscaping and Horticulture Services, Window Cleaning Services, and Maintenance Services Provided to Recipients of Total Disability Benefits*.

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 the locks and locking devices are incorporated into real property (such as a deadbolt lock on a door to a building), 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 the 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>keys</i>	<i>safes</i>
<i>hinges</i>	<i>locks</i>	

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

A locksmith **must collect** tax on both goods and services when 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.

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(a)(37).

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 performed on:

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

Integral Parts

The locksmith can purchase integral parts without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

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** collect tax when permanently installing the mailbox in:

- New construction
- Owner-occupied residential property

The contractor **must collect** 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. These 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:

<i>brick washing</i>	<i>chimney sweeping</i>
<i>cleaning gutters</i>	<i>driveway sealing</i>
<i>pond dredging</i>	<i>snow removal</i>
<i>stone washing</i>	<i>dryer vent cleaning</i>
<i>house washing (power washing)</i>	
<i>resurfacing clay tennis courts</i>	

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 collect** tax when the repair is performed on:

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

Maintenance services performed at the residence of a person receiving total disability payments under Social Security are not subject to tax. The contractor should obtain **CERT-121, Exemption for Landscaping and Horticulture Services, Window Cleaning Services, and Maintenance Services Provided to Recipients of Total Disability Benefits.**

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** collect tax when the service is performed for:

- New construction
- Owner-occupied residential property

The construction manager **must collect** tax when the service is performed for:

- 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 collect 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 collect** tax when performing management services for:

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

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;
- 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.

See **Special Notice 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.)*.

MASONRY

(See *Brickwork/Stonework*)

MOLD REMEDIATION

Mold remediation services are subject to sales and use taxes if these services are performed to existing commercial, industrial or income-producing real property.

Mold remediation services performed to residential real property are **not** taxable.

MOVING A STRUCTURE

Materials: The contractor pays tax on all materials used in performing its service.

Labor: The contractor does **not** collect tax when moving:

- Owner-occupied residential property

The contractor **must collect** tax when moving:

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

OUTDOOR LIGHTING

Materials: The contractor pays tax on all purchases of materials that become part of outdoor lighting.

Labor: The contractor does **not** collect tax when installing outdoor lighting on:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when installing outdoor lighting on:

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

PAINTING, STAINING, VARNISHING, AND WATERPROOFING

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.

These 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>power washing</i>
<i>applying waterproofing</i>	<i>puttying</i>
<i>or other protective finish</i>	<i>sanding</i>
<i>spackling</i>	<i>taping</i>
<i>planing</i>	

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

<i>paint</i>	<i>spackling compound</i>
<i>putty</i>	<i>tape</i>
<i>sealants</i>	

Labor: The painting contractor does **not** collect tax when performing painting services on:

- New construction
- Owner-occupied residential property

The painting contractor **must collect** tax when performing painting services on:

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

See Conn. Agencies Regs. § 12-407(2)(i)(I)-1, *Services to real property*, for related information.

PAPER SHREDDING

(See also Refuse Removal)

Paper shredding services are refuse removal services, which are services to real property that are taxable when provided to existing commercial, industrial or income-producing real property.

Materials: The paper shredding company pays tax on all materials used in performing its service. Containers and shredding equipment that are the property of the paper shredding company cannot be purchased on a resale basis. The paper shredding company is the consumer of these items and must pay tax on them even though the paper shredding company may bill the customer for rental of a container. Therefore, charges for the rental of a container are considered part of paper shredding services and are taxed accordingly.

See **Policy Statement 99(5)**, *Refuse and Sanitary Waste Removal Companies*.

Labor: The paper shredding company does **not** collect tax from the customer for paper shredding services performed on:

- New construction
- Owner-occupied residential property

If the paper shredding company brings a mobile paper shredder to the customer's location to shred documents and cart the shredded paper away or the paper shredding company picks up documents in locked barrels from the customer's location and removes them to its facility, where the paper shredding company shreds the documents and disposes of them, including charges for hauling or container rental, the paper shredding company **must collect** tax from the customer for paper shredding services performed on:

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

If the customer brings documents to a service provider's location to be shredded, the charge to the customer is not taxable. Also, if a paper shredding company brings a mobile shredder to a customer's location but leaves the shredded documents at the customer's location for the customer to dispose of, the charge to the customer is not taxable.

PATIO

(See *Landscaping and Horticulture Services*)

PAVING

(See also *Maintenance Services to Real Property*)

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>walkways</i>
<i>parking areas</i>	<i>patios</i>

Paving does not include covering driveways, parking areas,

and walkways with materials such as crushed stone, crushed stone with oil, or gravel. However, these services are taxable when performed on existing commercial, industrial, and income-producing property.

Paving services do include all preparatory work, where performed as part of the entire job, as well as the subsequent sealing or dressing of the pavement.

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** collect tax when a driveway, parking lot, or walkway 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 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

Repair or Replacement (of 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 collect** tax on the labor to repair or replace existing pavement on:

- New construction of commercial, industrial, and income-producing real property
- Existing commercial property
- Existing industrial property
- Existing income-producing property

The contractor does **not** collect tax on the labor to repair or replace existing pavement on:

- Owner-occupied residential property

PEST CONTROL

(See *Exterminating*)

PLUMBING

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

<i>pipng systems</i>	<i>shower stalls</i>
<i>sinks and necessary sink fixtures</i>	<i>toilets and necessary toilet fixtures</i>
<i>tubs and necessary tub fixtures</i>	<i>tub enclosures</i>

Plumbing also includes:

<i>fixing leaking pipes</i>	<i>unclogging drains</i>
<i>thawing frozen pipes</i>	<i>repairing sinks, toilets, and tubs</i>

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

<i>shower stalls</i>	<i>tubs</i>
<i>shower heads</i>	

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

- New construction
- Owner-occupied residential property

The plumbing contractor **must collect** tax when performing plumbing services to:

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

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*)

PRECAST CONCRETE OR CEMENT STEPS

(See *Standard Units of Equipment*)

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 collect** tax when performing services to:

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

Protection, patrol work, and watchman services may be purchased on resale by a contractor providing services listed as taxable in Conn. Gen. Stat. § 12-407(a)(37) to existing commercial, industrial, or income-producing property, or landscaping services to any type of property.

A public right-of-way is not considered commercial, industrial, or income-producing property. A public right-of-way is property such as a state or municipal street or road and adjacent area. A contractor providing services to a public right-of-way (such as repaving a state road) cannot purchase protection, patrol work, or watchman services on a resale basis. The contractor must pay tax on this purchase.

REFUSE REMOVAL

(See also *Paper Shredding*)

Refuse removal services include the carting, hauling and disposal of worthless or unwanted property including garbage, special handling waste, scrap, leaf piles, and sanitary waste, which include septic system cleaning, clearing septic tank lines, pumping cesspools, pumping dry wells, and pumping septic tanks.

The removal, carting or hauling, for a charge, of any property that is unwanted by the service recipient, regardless of the fact that the property may have a subsequent sales value, constitutes a refuse removal service. Examples of such property include removal, with or without disposal, of computers, electronics, scrap metals, recyclable materials or used tires.

Materials: The refuse removal company pays tax on all materials used in performing 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. Therefore, charges for the rental of a container are included in taxable receipts from refuse removal services.

See **Policy Statement 99(5)**, *Refuse and Sanitary Waste Removal Companies*.

Labor: The refuse removal company does **not** collect tax to the customer for refuse removal services performed for:

- New construction
- Owner-occupied residential property

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

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

Refuse removal services for construction sites may be purchased on resale by a contractor providing services listed as taxable in Conn. Gen. Stat. § 12-407(a)(37)(I) to existing commercial, industrial, or income-producing property.

RETAINING WALLS

(See *Landscaping and Horticulture Services*)

ROOFING

Initial Installation (New construction)

Materials: The roofing contractor pays tax on all materials 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** collect tax when the initial roof is installed on:

- New construction
- Owner-occupied residential property

Installation, Repair, and Replacement (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, 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 Services to Real Property* on Page 48.

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

Labor: The roofing contractor does **not** collect tax when installing the roofing on:

- Owner-occupied residential property

The roofing contractor **must collect** tax when installing the roofing on:

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

See Conn. Agencies Regs. §§ 12-407(2)(i)(I)-1, *Services to real property*, and 12-407(2)(i)(X)-1, *Maintenance services*, for related information.

ROOF WARRANTIES

Sale of a Warranty for Roofing Shingles

The sale of an extended warranty for roofing shingles is taxable. If the shingles are found to be defective after being installed, the extended warranty covers the entire cost of new shingles and the labor to install them. The shingle

company will supply the shingles and pay a contractor to install new shingles. No additional sales tax is due on labor or tangible personal property needed in such replacement because the tax is deemed to have been paid at the time of the purchase of the extended warranty contract. 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*, for related information.

Sale of a Warranty for Roof Service

The sale of a warranty contract to service a roof is not taxable, regardless of whether the warranty contract covers new construction, existing residential property, or existing commercial, industrial or income-producing real property. If sold with the installation of a roof, the warranty contract and the price for the roofing materials must be separately stated, and the price of the warranty must be reasonable and in line with industry-standard pricing.

Materials: The warrantor or its subcontractor is the consumer of materials used to fulfill the warranty and must pay tax when purchasing such materials.

Services provided under the warranty contract:

- If the warrantor itself performs the repairs without making any charges, the services are not taxable for new construction, owner-occupied residential property, or existing commercial, industrial, or income-producing property.
- If the warrantor makes any charges for services to repair the roof, the warrantor does **not** collect tax when the service is performed on:
 - New construction
 - Owner-occupied residential property

The warrantor **must collect** tax when the service is performed on:

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

If the warrantor hires a subcontractor to perform repairs, the roofing warrantor is the consumer of the service and must pay tax to the subcontractor when the service is performed on:

- New construction
- Owner-occupied residential property

The subcontractor **must collect** tax when the service is performed on:

- Existing commercial property

- Existing industrial property
- Existing income-producing property

Services provided outside the warranty contract: When the contractor bills an amount to the property owner for servicing the roof that is not covered under the warranty contract, such as a deductible or an amount over a maximum coverage contained in the warranty contract.

The contractor does **not** collect tax when the service is performed on:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when the service is performed on:

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

SANDBLASTING

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

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

- New construction
- Owner-occupied residential property

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

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

SAUNAS

(See *Hot Tubs, Spas, and Saunas*)

SCAFFOLDING AND SIDEWALK BRIDGING

A retailer of scaffolding or sidewalk bridging is a retailer of tangible personal property.

The retailer of scaffolding or sidewalk bridging can purchase the scaffolding or sidewalk bridging without paying tax by using a resale certificate. The retailer must collect tax on the sale of the scaffolding or sidewalk bridging.

Separately stated charges for installing the scaffolding or sidewalk bridging are not subject to tax when placed on:

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

If a retailer of scaffolding or sidewalk bridging leases and installs the scaffolding or sidewalk bridging, the total amount charged for the lease and installation is taxable even if the installation charges are separately stated on the bill. See Conn. Agencies Regs. § 12-426-25.

SEPTIC SYSTEMS

(See also *Standard Units of Equipment*)

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 tax on all purchases of materials that become part of the septic system.

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

- New construction
- Owner-occupied residential property

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

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

The services of repairing or replacing the septic system follows the taxation rules for installation.

SEPTIC SYSTEM CLEANING

Septic system cleaning includes, but is not limited to:

<i>clearing septic lines</i>	<i>pumping cesspools</i>
<i>pumping dry wells</i>	<i>pumping septic tanks</i>

The contractor does **not** collect tax on septic system cleaning when it is performed on:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax on septic system cleaning when it is performed on:

- 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, Buildings, and Trailers* on Page 10.

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 collect** 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

Repair and maintenance services to prefabricated sheds and gazebos that remain tangible personal property are subject to tax as repairs to tangible personal 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** collect 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

In general, a contractor does not collect tax when repairing or renovating a shed or gazebo that is real property on:

- Owner-occupied residential property

The contractor **must collect** tax when repairing or renovating a shed or gazebo that is real property on:

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

SHEET METAL

(See *Interior Sheet Metal* or *Exterior Sheet Metal Work*)

SIDING

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 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>exterior shutters</i>	
<i>shakes and other wood coverings</i>	

Labor: The siding contractor does **not** collect tax when installing siding on:

- New construction
- Owner-occupied residential property

The siding contractor **must collect** tax when installing the siding on:

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

See Conn. Agencies Regs. § 12-407(2)(i)(I)-1, *Services to 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** collect tax when permanently installing the sign on:

- New construction
- Owner-occupied residential property

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

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

Not Permanently Installed

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 **not** permanently installed are tangible personal property. The sale of signs that are not permanently installed is taxable. Charges for the installation of signs that are not permanently installed 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 sign painter **must collect** tax when the service is performed on:

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

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 10.

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** collect tax when installing the silt fence on:

- New construction
- Owner-occupied residential property

The contractor **must collect** 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)

SPAS

(See Hot Tubs, Spas, and Saunas)

SPRINKLER SYSTEMS (INTERIOR)

(See Landscaping and Horticulture Services for exterior sprinkler systems)

The installation of sprinkler systems inside a building, such as for fire protection, is a service to real property.

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

Examples of materials are:

sprinkler heads *thermostats*
pipng *valves*

Labor: The contractor does **not** collect tax when installing a sprinkler system inside a building in:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax on the services to install interior sprinkler systems in:

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

For the construction of sprinkler systems and irrigation systems installed outside a building, see *Landscaping and Horticulture Services* on Page 46.

STAINING

(See Painting, Staining, Varnishing, and Waterproofing)

STANDARD UNITS OF EQUIPMENT

Installation

Materials: The sale of complete units of standard equipment is generally a sale of tangible personal property.

Examples of standard units of equipment are:

awnings *septic tanks**
hatchways *stock cabinets*
precast concrete or cement steps

The contractor purchases the standard units of equipment on resale. The contractor collects tax on the sale of the standard units of equipment. The contractor does not apply tax to a separately stated charge to install the standard units of equipment.

Labor: The contractor does **not** collect tax on the installation of complete standard units of equipment when the service is performed on:

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

However, if the installation of complete units of standard equipment is part of an overall construction contract to real property, the installation charges are considered a service to real property.

Example: A contractor installs stock cabinets in the course of performing renovations to an employee cafeteria in an office building. Use tax is due on the cost of materials to the contractor.

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

- New construction
- Owner-occupied residential property

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

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

* A septic tank is a complete unit of standard equipment and, if the tank alone is being installed, the installation charges are exempt.

If a septic tank is being installed as part of an overall septic system installation, the installation of the septic tank is a service to real property. See *Septic Systems, Installation* on Page 54.

Repairs and Maintenance

Service to repair or maintain an installed unit of standard equipment is a service to real property.

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

- Owner-occupied residential property

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

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

See *Awnings* for taxability of repair or maintenance services for awnings that have been removed from a building or structure.

Contractors installing cabinets should review **Policy Statement 94(7)**, *Fabrication and Installation of Stock and Custom Cabinets*, to determine the proper tax treatment.

STOCK CABINETS

(See Standard Units of Equipment)

STONework

(See Brickwork/Stonework)

STRUCTURAL INSPECTION

The contractor does **not** collect tax when performing structural inspection services for:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when performing structural inspection services for:

- 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** collect tax when permanently installing a sump pump in:

- New construction
- Owner-occupied residential property

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

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

Repairs and Maintenance

The contractor **must collect** 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.

These parts include, but are not limited to:

connectors *motors*
electrical cords *floats*
pump suction heads and shutoff switches

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the sump pump system without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

The service of repairing the piping part of the sump pump system follows the taxation rules for permanent installation.

SWIMMING POOLS

(See also *Hot Tubs, Spas, and Saunas*)

Installation of Above Ground Pools

The installation of an above ground pool is not a service to real property because the pool is considered to be tangible personal property and, thus, follows the rules for installation labor for tangible personal 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** collect 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 contractor performing repair or maintenance services can purchase integral parts for the above ground pool without paying sales tax to the vendor by issuing a resale certificate.

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 Inground Pools

The installation of an inground 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.

Materials: The contractor pays tax on all purchases of materials 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** collect tax when constructing the original pool in:

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

Repairs to and Replacement of Inground Pools

The replacement of an existing inground pool is not considered a site improvement and, therefore, follows the rules for repairing an inground pool.

Repairs to inground 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 inground pool including, but not limited to:

cement *tile* *vinyl lining*

Labor: The contractor does **not** collect tax when repairing or renovating an inground pool built on:

- Owner-occupied residential property

The contractor **must collect** tax when repairing or renovating an inground pool built on:

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

Cleaning and Maintenance to Both Above Ground and Inground Pools

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

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

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

Labor: The contractor **must collect** 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*.

Repairs to Pool Filters

The contractor **must collect** tax on:

- 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.

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*.

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 performed on:

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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the filter without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

See also *Fencing* on Page 36.

TELEPHONE, AUDIO-VISUAL, AND COMPUTER CABLE OR WIRING

(See also *Home Entertainment/ Home Theater Systems*)

Permanent Installation

Permanently installed means the cable or wire is built into the real property. Where wiring or cabling is run behind a wall, above a ceiling, or under a floor so that its location is not obvious and it is not readily accessible, the installation is a service to real property and not the installation of tangible

personal property. In addition, for the same reason, the removal of permanently installed wiring or cabling is also a service to 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** collect tax when permanently installing cable or wiring in:

- New construction
- Owner-occupied residential property

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

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

However, separately-stated charges to install telephone, audio-visual, and computer cable or wiring from the wall to the equipment is not taxable as a service to real property because it is not permanently installed into real property.

TESTING FOR CONTAMINANTS

(See also *Environmental Services*)

Services for the evaluation, prevention, treatment, containment or removal of hazardous waste or other contaminants of air, water or soil to existing commercial, industrial or income-producing real property are taxable, whether voluntary or involuntary. See **Special Notice 95(17)**, *Certain Environmental Services Excluded from Sales and Use Taxes*, for guidance as to the definitions of **hazardous waste** and **other contaminants** that remains applicable, despite the repeal of the exclusion for environmental services performed voluntarily.

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
- Samples pulled from locations outside of Connecticut

Testing for the presence of contaminants such as radon, asbestos, and lead is subject to tax when performed on samples pulled from locations within Connecticut:

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

UNDERGROUND CABLES

The installation or repair of underground cable is a service to real property.

Materials: The contractor pays tax on all purchases of materials used to install or repair underground cable.

Labor: The contractor does **not** collect tax when repairing or installing underground cable in:

- New construction
- Owner-occupied residential property
- Real property located within a public right-of-way

The contractor **must collect** tax when repairing or installing underground cable in:

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

For services performed on public rights-of-way, see Page 13.

UNDERGROUND PET BARRIER SYSTEMS, COMMONLY KNOWN AS INVISIBLE FENCING

(See also *Fencing*)

Materials: The installation contractor pays tax on the purchase of materials and supplies that will be incorporated into, or used in installing, the underground pet barrier system.

Labor: The contractor does **not** collect tax when installing the underground pet barrier system on:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when installing the underground pet barrier system on:

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

UNDERGROUND STORAGE TANKS

Underground storage tanks include, but are not limited to:

gasoline storage tanks
heating oil storage tanks
propane storage tanks

Installation

A retailer of underground storage tanks is considered to be selling tangible personal property.

The retailer of underground storage tanks can purchase the tanks without paying tax by using a resale certificate. The retailer of underground storage tanks must charge tax on the sale of the tanks.

Separately stated charges for installing the underground storage tanks are not subject to tax. The removal of underground storage tanks is not subject to tax.

A septic tank is not an underground storage tank. See also *Septic Systems* on Page 54 and *Standard Units of Equipment* on Page 56.

VARNISHING

(See *Painting, Staining, Varnishing, and Waterproofing*)

VENTILATION SYSTEMS

(See also *Clean Room/HVAC 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*

Labor: The contractor does **not** collect tax for permanently installing a ventilation system in:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax for permanently installing a ventilation system in:

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

Repairs and Maintenance of Fan Units

The contractor **must collect** tax on:

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

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

- Integral parts
- Labor

The total bill for maintenance and repairs to ventilation system fan units is subject to tax when the services are performed to:

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

Repairing the duct work follows the taxation rules for installation.

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the fan units without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

WALLPAPERING

Wallpapering means the application of wallpaper or wall fabric to interior walls and ceilings. The services also include all necessary preparations prior to the wallpapering, such as removing old wallpaper, steaming, puttying, taping, spackling, and sizing.

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

paste *tape*
spackling compound *wallpaper*

Labor: The contractor does **not** collect tax when performing wallpapering services on:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when performing wallpapering services on:

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

See Conn. Agencies Regs. § 12-407(2)(i)(I)-1, *Services to real property*, for related information.

WALLS

(For exterior walls, see *Landscaping and Horticulture Services*)

Installation of Interior Walls

Materials: The contractor pays tax on all purchases of materials used to install interior walls into the structure including, but not limited to:

<i>baseboard molding</i>	<i>insulation</i>
<i>ceramic tile</i>	<i>sheet rock</i>
<i>drywall</i>	<i>wallboard</i>
<i>grout</i>	<i>wood paneling</i>

Labor: The contractor does **not** collect tax when installing, insulating, or repairing walls in:

- New construction
- Owner-occupied residential property

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

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

Also see *Painting, Staining, Varnishing, and Waterproofing* on Page 49.

WARRANTY CONTRACTS FOR REAL PROPERTY

(See also *Roof Warranties*)

Home warranties (sometimes called Home Service Contracts) provide that the warrantor will service, repair, or replace certain operational or structural failures in a home located on residential real property for a certain period of time. The warranties cover various systems and appliances, such as electrical systems, heating systems, air-conditioning systems, interior plumbing, water heaters, dishwashers, microwaves, and refrigerators. The warranties may also

cover additional systems and appliances located at the residential real property, such as swimming pools, septic systems, and well pumps.

The sale of a warranty contract for residential real property that is being used as income-producing real property is subject to sales and use taxes on the entire price of the warranty. The sale of a warranty contract for owner-occupied real property is subject to sales and use taxes to the extent that the warranty provides for repairs to tangible personal property or electrical devices.

See **Ruling No. 2017-1** for more details.

WATER HEATERS

Installation

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

Labor: The contractor does **not** collect tax when installing the hot water heater in:

- New construction
- Owner-occupied residential property

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

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

Repairs and Maintenance

The contractor **must collect** tax on:

- 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 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 performed on:

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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the hot water heater without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

See also *Energy Efficient Heating, Cooling and Generating Systems* for information about an exemption from sales and use taxes for solar energy electricity generating systems, passive or active solar water or space heating systems, geothermal resource systems, and ice storage systems used for cooling.

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*.

WATERPROOFING

(See *Painting, Staining, Varnishing, and Waterproofing*)

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** collect tax when welding services are performed on:

- New construction
- Owner-occupied residential property

The welder **must collect** 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 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.

Integral Parts

The welder performing repair or maintenance services can purchase integral parts without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the welder to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

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 welder's supplier.

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

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

There are special rules for welding as part of the manufacturing process. See **Informational Publication 2009(13)**, *Sales and Use Taxes Guide for Manufacturers, Fabricators, and Processors*.

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** collect tax when installing the well in:

- New construction
- Owner-occupied residential property

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

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

Repairs and Maintenance of Pumps

The contractor **must collect** tax on:

- 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 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 performed on:

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

Integral Parts

The contractor performing repair or maintenance services can purchase integral parts for the well pump without paying sales tax to the vendor by issuing a resale certificate.

Integral parts purchased for use in performing services under a **maintenance, repair, or warranty contract** are not subject to tax unless a charge for the parts is made by the contractor to the customer. For the definition of integral part, see *Repair or Maintenance of Tangible Personal Property (Units)* on Page 11. Also see *Warranty Contracts* on Page 11 for more information on warranty contracts.

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 Conn. Agencies Regs. § 12-407(2)(i)(Q)-1, *Electrical and electronic repair services*.

Replacement of Well Pumps

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

Labor: The contractor does **not** collect tax when replacing the well pump in:

- New construction
- Owner-occupied residential property

The contractor **must collect** tax when replacing the well pump in:

- 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** collect tax when installing or replacing windows in:

- New construction
- Owner-occupied residential property

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

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

For painting windows, see *Painting, Staining, Varnishing, and Waterproofing*.

WINDOW CLEANING

Window cleaning services means cleaning windows and exterior and interior glass when performed on any real property.

The window cleaner pays tax on the purchase of all cleaning supplies. The window cleaner must collect 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

Window cleaning services performed at the residence of a person receiving total disability payments under Social Security are not subject to tax. The contractor should obtain **CERT-121**, *Exemption for Landscaping and Horticulture Services, Window Cleaning Services, and Maintenance Services Provided to Recipients of Total Disability Benefits*.

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

WINDOW TREATMENTS

The installation of window treatments (such as interior shutters, curtains, blinds and shades) is not considered a service to real property. The sale of interior window treatments is taxable as a sale of tangible personal property. A separately stated charge for installing the items is not taxable.

WIRING

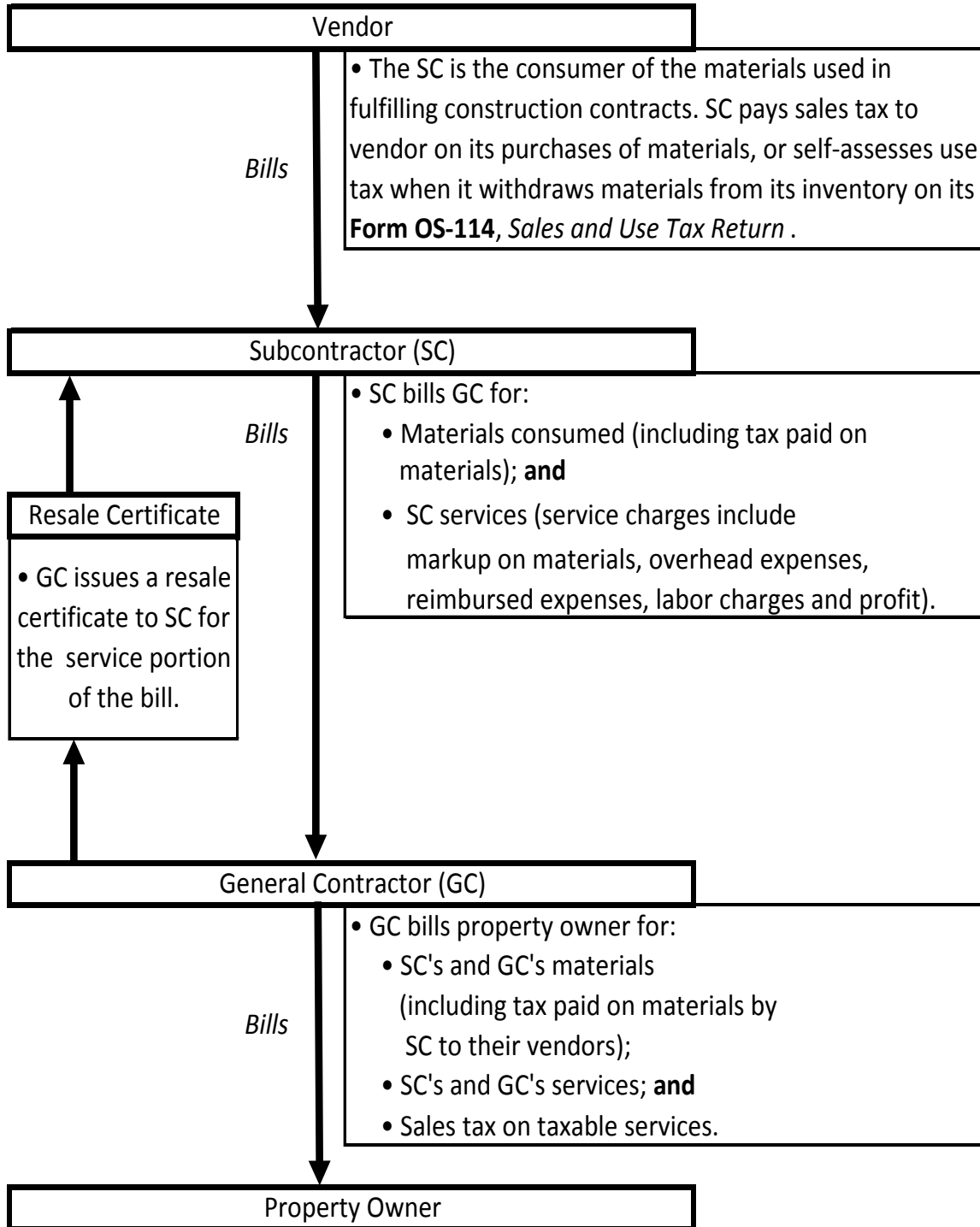
(See Telephone, Audio-Visual, and Computer Cable or Wiring)

notes

Appendix

notes

Resale Certificate and Process Flow



notes

Example 1

Facts

- This is a taxable renovation to commercial property.
- All materials for this job are purchased by the subcontractors (SC).
- Tax is paid by SC's on their materials at the time of purchase.
- General contractor (GC) issues resale certificates to SC's for taxable services.
- GC separately states the charges to the property owner as follows:
 - **Materials consumed**, including tax paid on the materials;
 - **Service charges**, including markup on materials, overhead expenses, labor charges, tool or equipment purchase or rental, including tax paid on the rental, and profit; **and**
 - **Sales tax** on the service portion of the bill.

Bills & Books

Subcontractor (SC)

SC's bill to GC:

Materials purchased (including taxes paid)	\$ 60,000.00
SC services	\$ 30,000.00
Total	\$ 90,000.00

Reported on SC's Form OS-114, Deductions Line A, Other Adjustments - sales of goods

Reported on SC's Form OS-114, Deductions Line 17, Sales for resale - labor and services

Reported on SC's Form OS-114, Line 3

See sample subcontractor sales tax return on pages 72-73.

General Contractor (GC)

GC's bill to commercial property owner:

SC's materials (including taxes paid)	\$ 60,000.00
GC & SC services	\$ 40,000.00
Sales tax on services x 6.35%	\$ 2,540.00
Total	\$ 102,540.00

Reported on GC's Form OS-114, Line 3:

Materials (taxes paid)	\$ 60,000.00
SC's services (without tax)	\$ 30,000.00
GC's services (without tax)	\$ 10,000.00
Total reported on Line 3	\$ 100,000.00

GC's books:

<i>Materials</i>	
Materials - SC (includes tax paid by SC's to vendors)	\$ 60,000.00
<i>Services</i>	
SC's services	\$ 30,000.00
GC's services	\$ 10,000.00
Total services	\$ 40,000.00
Sales tax on services x 6.35%	\$ 2,540.00
Total	\$ 102,540.00

Reported on GC's Form OS-114, Deductions Line A, Other Adjustments - sales of goods

See sample general contractor sales tax return on pages 74-75.

A contractor's service charge, sometimes referred to as the labor charge, is determined by subtracting the cost of materials (including tax paid on materials) from the total contract price. In other words, every cent above the contractor's cost of materials physically incorporated into the real property, plus the tax paid on those materials, is considered the service charge.

See *Service Charge* on Page 14.



Form OS-114 (SUT) Connecticut Sales and Use Tax Return

See **Form O-88, Instructions for Form OS-114 Sales and Use Tax Return**. Form OS-114 **must** be filed and paid on or before the last day of the month following the end of the period.

Type or print. Complete the return in blue or black ink only. **Do not** use grayed-out fields.

For period ending (MMDDYYYY)	Due date (MMDDYYYY)	Connecticut Tax Registration Number
		Federal Employer Identification Number
		Check here if this is an amended return. <input type="checkbox"/>
		DRS use only
		(MMDDYYYY)

EXAMPLE 1 (Subcontractor's Return)

Rounding: You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents.

	Column 1 6.35% Tax Rate	Column 2 7.75% Tax Rate	Column 3 9.35% Tax Rate
1. Gross receipts from sales of goods. 1.			
2. Gross receipts from leases and rentals. 2.			
3. Gross receipts from labor and services. 3.	90,000		
4. Goods purchased by your business subject to use tax. 4.			
5. Leases and rentals by your business subject to use tax. 5.			
6. Services purchased by your business subject to use tax. 6.			
7. Total: Add Lines 1 through 6 7.	90,000		
8. Deductions. See instructions 8.	90,000		
9. Subtract Line 8 from Line 7. If zero or less, enter "0". 9.	0		
10a. Amount of tax due: Multiply Line 9 by Tax Rate. 10a.	0		
10. Total tax due: Add Line 10a, Columns 1, 2, and 3. 10.			0
11. For amended return only, enter tax paid on prior return. 11.			
12. Net amount of tax due: Subtract Line 11 from Line 10. 12.			0
13. Interest + Penalty = 13.			
14. Total amount due: Add Line 12 and Line 13. 14.			0

Total amount of:

- Materials purchased by the subcontractor (including the tax the subcontractor paid to their vendor); and
- The subcontractor's service charge to the general contractor (not including sales tax on the services).

Total deductions
 (see next page)

If applicable, provide the following information: Final return Enter last business date: (MMDDYYYY)

Enter new mailing address: *

Enter new physical location (PO Box is not acceptable.): *

Enter new trade name: * First return - Enter business start date: *

New owners must obtain a new Connecticut Tax Registration Number.

Enter new owner name: * Date sold: * (MMDDYYYY)

Address: *

Declaration: I declare under the penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here	Taxpayer's signature	Title	Date (MMDDYYYY)	Telephone number
Keep a copy of this return for your records.	Taxpayer's email	Paid preparer's signature		Paid preparer's address
				Date (MMDDYYYY)

All quarterly and monthly filers **must** file Form OS-114 and pay its associated taxes electronically. Visit www.ct.gov/TSC to file your return electronically using the **TSC** or call the **Connecticut Business Telefile System** toll-free at **855-665-9471** or **860-449-1011** (from Groton area) to file your return using **Telefile**. To request a one-year waiver from this electronic filing requirement visit www.ct.gov/drs/TSCfiling to complete **Form DRS-EWVR, Electronic Filing and Payment Waiver Request**.

Personal or business expenses cannot be claimed on this return.

Form OS-114 Back
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OS114 00 16P 02 9999



See instructions (Form O-88) before completing.

CT Tax Registration # ●

Deductions

	Column 1 6.35% Tax Rate	Column 2 7.75 % Tax Rate
15. Sales for resale - sales of goods		
16. Sales for resale - leases and rentals		
17. Sales for resale - labor and services	30,000	
18. All newspapers and subscription sales of magazines and puzzle magazines		
19. Trucks with GVW rating over 26,000 lbs. or used exclusively for carriage of interstate freight.....		
21. Food for human consumption, food sold in vending machines, items purchased with food stamps		
23. Sale of fuel for motor vehicles		
24. Sales of electricity, gas, and heating fuel for residential dwellings..... For Utility & Heating		
25. Sales of electricity - \$150 monthly charge per business		
26. Sales of electricity, gas, and heating fuel for manufacturing or agricultural production .. Fuel Companies Only		
27. Aviation fuel.....		
29. Tangible personal property to persons issued a Farmer Tax Exemption Permit.....		
30. Machinery, its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing.....		
31. Machinery, materials, tools, and equipment used in commercial printing process or publishing		
32. Vessels, machinery, materials, tools, and fuel for commercial fishing		
33. Out-of-state - sales of goods		
34. Out-of-state - leases and rentals		
35. Out-of-state - labor and services		
36. Motor vehicles or vessels purchased by nonresidents		
37. Prescription medicines and diabetic equipment		
38. Nonprescription drugs and medicines. (Effective beginning 04/01/15.)		
39. Charitable or religious organizations - sales of goods.....		
40. Charitable or religious organizations - leases and rentals.....		
41. Charitable or religious organizations - labor and services.....		
42. Federal, Connecticut, or municipal agencies - sales of goods.....		
43. Federal, Connecticut, or municipal agencies - leases and rentals		
44. Federal, Connecticut, or municipal agencies - labor and services		
45. Items certified for air or water pollution abatement - sales, leases, and rentals of goods.....		
47. Nontaxable labor and services		
48. Services between wholly owned business entities		
50. Trade-ins of all like-kind tangible personal property		
52. Taxed goods returned within 90 days at the rate listed above in Columns 1 or 2.....		
56. Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods		
63. Funeral expenses.....		
69. Repair services, repair and replacement parts for aircraft, and certain aircraft.....		
71. Certain machinery under the Manufacturing Recovery Act of 1992		
72. Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry		
73. Repair and maintenance services and fabrication labor to vessels.....		
74. Computer and data processing services at 1% (See instructions, Form O-88.)		
75. Renovation and repair services to residential real property		
77. Sales of qualifying items to direct payment permit holders		
78. Sales of college textbooks.....		
79. Sales tax holiday		
82. Motor vehicles sold to active duty nonresident members of the armed forces at 4.5%.....		
83. For cigarette dealers only : Purchases of cigarettes taxed by a stamper or distributor.....		
A. Other Adjustments - sales of goods (Describe: ● <i>Materials consumed, including tax paid</i>) A.	60,000	
B. Other Adjustments - leases and rentals (Describe: ●) B.		
C. Other Adjustments - labor and services (Describe: ●) C.		
Total Deductions: Enter here and on Line 8 on the front of this return. ●	90,000 ●	

Amount of the subcontractor's services included on Line 3 that they sold to the general contractor on a resale basis.

Amount of the materials included on Line 3 on which the subcontractor has already paid the sales tax to their vendor.



Form OS-114 (SUT) Connecticut Sales and Use Tax Return

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Type or print. Complete the return in blue or black ink only. **Do not** use grayed-out fields.

For period ending (MMDDYYYY)	Due date (MMDDYYYY)	Connecticut Tax Registration Number
		Federal Employer Identification Number
		Check here if this is an amended return. <input type="checkbox"/>
		DRS use only
		(MMDDYYYY)

EXAMPLE 1 (General Contractor's Return)

Rounding: You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents.

	Column 1 6.35% Tax Rate	Column 2 7.75% Tax Rate	Column 3 9.35% Tax Rate
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		
4. Goods purchased by your business subject to use tax. 4.			
5. Leases and rentals by your business subject to use tax. 5.			
6. Services purchased by your business subject to use tax. 6.			
7. Total: Add Lines 1 through 6 7.	100,000		
8. Deductions. See instructions 8.	60,000		
9. Subtract Line 8 from Line 7. If zero or less, enter "0". 9.	40,000		
10a. Amount of tax due: Multiply Line 9 by Tax Rate. 10a.	2,540		
10. Total tax due: Add Line 10a, Columns 1, 2, and 3. 10.			2,540
11. For amended return only, enter tax paid on prior return. 11.			
12. Net amount of tax due: Subtract Line 11 from Line 10. 12.			2,540
13. Interest + Penalty = 13.			
14. Total amount due: Add Line 12 and Line 13. 14.			2,540

Total amount of:

- Materials purchased by the subcontractor (including the tax the subcontractor paid to their vendor);
- The subcontractor's service; and
- The general contractor's service.

(The sales tax on the services is not included on this line.)

This is the total deductions (see next page)

If applicable, provide the following information: Final return Enter last business date: (MMDDYYYY)

Enter new mailing address: •
 Enter new physical location (PO Box is not acceptable.): •
 Enter new trade name: • First return - Enter business start date: •

New owners must obtain a new Connecticut Tax Registration Number.

Enter new owner name: • Date sold: • (MMDDYYYY)
 Address: •

Declaration: I declare under the penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here	Taxpayer's signature	Title	Date (MMDDYYYY)	Telephone number
	Taxpayer's email			
Keep a copy of this return for your records.	Paid preparer's signature	Paid preparer's address	Date (MMDDYYYY)	

All quarterly and monthly filers **must** file Form OS-114 and pay its associated taxes electronically. Visit www.ct.gov/TSC to file your return electronically using the **TSC** or call the **Connecticut Business Telefile System** toll-free at **855-665-9471** or **860-449-1011** (from Groton area) to file your return using **Telefile**. To request a one-year waiver from this electronic filing requirement visit www.ct.gov/drs/TSCfiling to complete **Form DRS-EWVR, Electronic Filing and Payment Waiver Request**.

Personal or business expenses cannot be claimed on this return.

Form OS-114 Back
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See instructions (Form O-88) before completing.

CT Tax Registration #

Deductions

	Column 1 6.35% Tax Rate	Column 2 7.75 % Tax Rate
15. Sales for resale - sales of goods		
16. Sales for resale - leases and rentals		
17. Sales for resale - labor and services		
18. All newspapers and subscription sales of magazines and puzzle magazines		
19. Trucks with GVW rating over 26,000 lbs. or used exclusively for carriage of interstate freight.....		
21. Food for human consumption, food sold in vending machines, items purchased with food stamps		
23. Sale of fuel for motor vehicles		
24. Sales of electricity, gas, and heating fuel for residential dwellings..... For Utility & Heating		
25. Sales of electricity - \$150 monthly charge per business		
26. Sales of electricity, gas, and heating fuel for manufacturing or agricultural production .. Fuel Companies Only		
27. Aviation fuel.....		
29. Tangible personal property to persons issued a Farmer Tax Exemption Permit.....		
30. Machinery, its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing.....		
31. Machinery, materials, tools, and equipment used in commercial printing process or publishing		
32. Vessels, machinery, materials, tools, and fuel for commercial fishing		
33. Out-of-state - sales of goods		
34. Out-of-state - leases and rentals		
35. Out-of-state - labor and services		
36. Motor vehicles or vessels purchased by nonresidents.....		
37. Prescription medicines and diabetic equipment.....		
38. Nonprescription drugs and medicines. (Effective beginning 04/01/15.)		
39. Charitable or religious organizations - sales of goods.....		
40. Charitable or religious organizations - leases and rentals.....		
41. Charitable or religious organizations - labor and services.....		
42. Federal, Connecticut, or municipal agencies - sales of goods		
43. Federal, Connecticut, or municipal agencies - leases and rentals		
44. Federal, Connecticut, or municipal agencies - labor and services		
45. Items certified for air or water pollution abatement - sales, leases, and rentals of goods.....		
47. Nontaxable labor and services		
48. Services between wholly owned business entities		
50. Trade-ins of all like-kind tangible personal property.....		
52. Taxed goods returned within 90 days at the rate listed above in Columns 1 or 2.....		
56. Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods		
63. Funeral expenses.....		
69. Repair services, repair and replacement parts for aircraft, and certain aircraft.....		
71. Certain machinery under the Manufacturing Recovery Act of 1992.....		
72. Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry.....		
73. Repair and maintenance services and fabrication labor to vessels.....		
74. Computer and data processing services at 1% (See instructions, Form O-88.)		
75. Renovation and repair services to residential real property		
77. Sales of qualifying items to direct payment permit holders		
78. Sales of college textbooks.....		
79. Sales tax holiday		
82. Motor vehicles sold to active duty nonresident members of the armed forces at 4.5%.....		
83. For cigarette dealers only : Purchases of cigarettes taxed by a stamper or distributor		
A. Other Adjustments - sales of goods (Describe: <input type="text" value="Materials consumed, including tax paid"/>) A.	60,000	
B. Other Adjustments - leases and rentals (Describe: <input type="text"/>) B.		
C. Other Adjustments - labor and services (Describe: <input type="text"/>) C.		
Total Deductions: Enter here and on Line 8 on the front of this return.	60,000	

Amount of the materials included on Line 3 on which the subcontractor has already paid the sales tax to their vendor.

notes

Example 2

Facts

- This is a taxable renovation to commercial property.
- All materials for this job are purchased by the subcontractors (SC).
- Tax is paid by SC's on their materials at the time of purchase.
- General contractor (GC) **does not** issue resale certificates to SC's for taxable services.
- GC separately states the charges to the property owner as follows:
 - **Materials consumed**, including tax paid on the materials;
 - **Service charges**, including markup on materials, overhead expenses, labor charges, tool or equipment purchase or rental including tax paid on the rental, and profit; **and**
 - **Sales tax** on the service portion of the bill.

Bills & Books

Subcontractor (SC)

SC's bill to GC:

Materials purchased (including taxes paid)	\$ 60,000.00
Services	\$ 30,000.00
Sales tax on services	x 6.35% \$ 1,905.00
Total services	\$ 31,905.00
Total	\$ 91,905.00

See sample subcontractor sales tax return on pages 78-79.

Reported on SC's Form OS-114, Deductions Line A, Other Adjustments - sales of goods

Reported on SC's Form OS-114, Line 3:

Materials (taxes paid)	\$ 60,000.00
Services	\$ 30,000.00
Total reported on Line 3	\$ 90,000.00

General Contractor (GC)

GC's bill to property owner:

SC's materials (including taxes paid)	\$ 60,000.00
SC's services (taxes paid by GC)	\$ 31,905.00
GC's services	\$ 10,000.00
Sales tax on GC services	x 6.35% \$ 635.00
Total	\$ 102,540.00

Reported on GC's Form OS-114, Line 3:

Materials (taxes paid)	\$ 60,000.00
SC's services (taxes paid)	\$ 31,905.00
GC's services (without tax)	\$ 10,000.00
Total reported on Line 3	\$ 101,905.00

GC's books:

<i>Materials</i>	
Materials - SC (including tax paid by SC to vendors)	\$ 60,000.00
<i>Services</i>	
SC's services (sales tax paid)	\$ 31,905.00
GC's services	\$ 10,000.00
Sales tax on services	x 6.35% \$ 635.00
Total GC services and sales tax on GC services	\$ 10,635.00
Total	\$ 102,540.00

Reported on GC's Form OS-114, Deductions Line A, Other Adjustments - sales of goods

Reported on GC's Form OS-114, Deductions Line C, Other Adjustments - sales of labor and services

See sample general contractor sales tax return on pages 80-81.

A contractor's service charge, sometimes referred to as the labor charge, is determined by subtracting the cost of materials (including tax paid on materials) from the total contract price. In other words, every cent above the contractor's cost of materials physically incorporated into the real property, plus the tax paid on those materials, is considered the service charge.

See *Service Charge* on Page 14.



Form OS-114 (SUT) Connecticut Sales and Use Tax Return

See **Form O-88, Instructions for Form OS-114 Sales and Use Tax Return**. Form OS-114 **must** be filed and paid on or before the last day of the month following the end of the period.

Type or print. Complete the return in blue or black ink only. **Do not** use grayed-out fields.

For period ending [] (MMDDYYYY)	Due date [] (MMDDYYYY)	Connecticut Tax Registration Number []
Federal Employer Identification Number []		Check here if this is an amended return. <input type="checkbox"/>
DRS use only [] (MMDDYYYY)		

EXAMPLE 2 (Subcontractor's Return)

Rounding: You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents.

	Column 1 6.35% Tax Rate	Column 2 7.75% Tax Rate	Column 3 9.35% Tax Rate
1. Gross receipts from sales of goods. 1.			
2. Gross receipts from leases and rentals. 2.			
3. Gross receipts from labor and services. 3.	90,000		
4. Goods purchased by your business subject to use tax. 4.			
5. Leases and rentals by your business subject to use tax. 5.			
6. Services purchased by your business subject to use tax. 6.			
7. Total: Add Lines 1 through 6 7.	90,000		
8. Deductions. See instructions 8.	60,000		
9. Subtract Line 8 from Line 7. If zero or less, enter "0". 9.	30,000		
10a. Amount of tax due: Multiply Line 9 by Tax Rate. 10a.	1,905		
10. Total tax due: Add Line 10a, Columns 1, 2, and 3. 10.			1,905
11. For amended return only, enter tax paid on prior return. 11.			
12. Net amount of tax due: Subtract Line 11 from Line 10. 12.			1,905
13. Interest + Penalty = 13.			
14. Total amount due: Add Line 12 and Line 13. 14.			1,905

Total amount of:

- Materials purchased by the subcontractor (including the tax the subcontractor paid to their vendor); and
- The subcontractor's service charge to the general contractor (not including sales tax on the services).

Total deductions
 (see next page)

If applicable, provide the following information:

Final return Enter last business date: [] (MMDDYYYY)

Enter new mailing address: • []

Enter new physical location (PO Box is not acceptable.): • []

Enter new trade name: • [] First return - Enter business start date: • []

New owners must obtain a new Connecticut Tax Registration Number.

Enter new owner name: • [] Date sold: • [] (MMDDYYYY)

Address: • []

Declaration: I declare under the penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here	Taxpayer's signature	Title	Date (MMDDYYYY)	Telephone number
	• []	• []	• []	• []
Keep a copy of this return for your records.	Taxpayer's email	Paid preparer's signature	Paid preparer's address	Date (MMDDYYYY)
	• []	• []	• []	• []

All quarterly and monthly filers **must** file Form OS-114 and pay its associated taxes electronically. Visit www.ct.gov/TSC to file your return electronically using the **TSC** or call the **Connecticut Business Telefile System** toll-free at **855-665-9471** or **860-449-1011** (from Groton area) to file your return using **Telefile**. To request a one-year waiver from this electronic filing requirement visit www.ct.gov/drs/TSCfiling to complete **Form DRS-EWVR, Electronic Filing and Payment Waiver Request**.

Personal or business expenses cannot be claimed on this return.

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OS114 00 16P 02 9999



See instructions (Form O-88) before completing.

CT Tax Registration # •

Deductions

- 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 GVW rating over 26,000 lbs. or used exclusively for carriage of interstate freight..... 19.
- 21. Food for human consumption, food sold in vending machines, items purchased with food stamps 21.
- 23. Sale of fuel for motor vehicles 23.
- 24. Sales of electricity, gas, and heating fuel for residential dwellings..... **For Utility & Heating** 24.
- 25. Sales of electricity - \$150 monthly charge per business **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 a 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. Vessels, 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 36.
- 37. Prescription medicines and diabetic equipment 37.
- 38. Nonprescription drugs and medicines. (Effective beginning 04/01/15.) 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 48.
- 50. Trade-ins of all like-kind tangible personal property 50.
- 52. Taxed goods returned within 90 days at the rate listed above in Columns 1 or 2 52.
- 56. Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods 56.
- 63. Funeral expenses 63.
- 69. Repair services, repair and replacement parts for aircraft, and certain aircraft 69.
- 71. Certain machinery under the Manufacturing Recovery Act of 1992 71.
- 72. Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry 72.
- 73. Repair and maintenance services and fabrication labor to vessels..... 73.
- 74. Computer and data processing services at 1% (See instructions, Form O-88.) 74.
- 75. Renovation and repair services to residential real property 75.
- 77. Sales of qualifying items to direct payment permit holders 77.
- 78. Sales of college textbooks..... 78.
- 79. Sales tax holiday 79.
- 82. Motor vehicles sold to active duty nonresident members of the armed forces at 4.5%..... 82.
- 83. For cigarette dealers only: Purchases of cigarettes taxed by a stamper or distributor 83.
- A. Other Adjustments - sales of goods (Describe: • *Materials consumed, including tax paid*) A.
- B. Other Adjustments - leases and rentals (Describe: •) B.
- C. Other Adjustments - labor and services (Describe: •) C.
- Total Deductions:** Enter here and on Line 8 on the front of this return. •

	Column 1 6.35% Tax Rate	Column 2 7.75 % Tax Rate
15.		
16.		
17.		
18.		
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75.		
77.		
78.		
79.		
82.		
83.		
A.	60,000	
B.		
C.		
Total Deductions:	60,000	

Amount of the materials, included on Line 3 on which the subcontractor has already paid sales tax to the vendor.



Form OS-114 (SUT) Connecticut Sales and Use Tax Return

See **Form O-88, Instructions for Form OS-114 Sales and Use Tax Return**. Form OS-114 **must** be filed and paid on or before the last day of the month following the end of the period.

Type or print. Complete the return in blue or black ink only. **Do not** use grayed-out fields.

For period ending (MMDDYYYY)	Due date (MMDDYYYY)	Connecticut Tax Registration Number
		Federal Employer Identification Number
		Check here if this is an amended return. <input type="checkbox"/>
		DRS use only
		(MMDDYYYY)

EXAMPLE 2 (General Contractor's Return)

Rounding: You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents.

	Column 1 6.35% Tax Rate	Column 2 7.75% Tax Rate	Column 3 9.35% Tax Rate
1. Gross receipts from sales of goods. 1.			
2. Gross receipts from leases and rentals. 2.			
3. Gross receipts from labor and services. 3.	101,905		
4. Goods purchased by your business subject to use tax. 4.			
5. Leases and rentals by your business subject to use tax. 5.			
6. Services purchased by your business subject to use tax. 6.			
7. Total: Add Lines 1 through 6 7.	101,905		
8. Deductions. See instructions 8.	91,905		
9. Subtract Line 8 from Line 7. If zero or less, enter "0". 9.	10,000		
10a. Amount of tax due: Multiply Line 9 by Tax Rate. 10a.	635		
10. Total tax due: Add Line 10a, Columns 1, 2, and 3. 10.			635
11. For amended return only, enter tax paid on prior return. 11.			
12. Net amount of tax due: Subtract Line 11 from Line 10. 12.			635
13. Interest + Penalty = 13.			
14. Total amount due: Add Line 12 and Line 13. 14.			635

Total amount of:

- Materials purchased by the subcontractor (including the tax the subcontractor paid to their vendor);
- The subcontractor's service; and
- The general contractor's service. (The sales tax on the services is not included on this line.)

Total deductions
 (see next page)

If applicable, provide the following information: Final return Enter last business date: (MMDDYYYY)

Enter new mailing address: *

Enter new physical location (PO Box is not acceptable.): *

Enter new trade name: * First return - Enter business start date: *

New owners must obtain a new Connecticut Tax Registration Number.

Enter new owner name: * Date sold: * (MMDDYYYY)

Address: *

Declaration: I declare under the penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here	Taxpayer's signature	Title	Date (MMDDYYYY)	Telephone number
	•	•	•	•
Keep a copy of this return for your records.	Taxpayer's email	Paid preparer's signature		Paid preparer's address
	•	•	•	Date (MMDDYYYY)

All quarterly and monthly filers **must** file Form OS-114 and pay its associated taxes electronically. Visit www.ct.gov/TSC to file your return electronically using the **TSC** or call the **Connecticut Business Telefile System** toll-free at **855-665-9471** or **860-449-1011** (from Groton area) to file your return using **Telefile**. To request a one-year waiver from this electronic filing requirement visit www.ct.gov/drs/TSCfiling to complete **Form DRS-EWVR, Electronic Filing and Payment Waiver Request**.

Personal or business expenses cannot be claimed on this return.

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See instructions (Form O-88) before completing.

CT Tax Registration # ●

Deductions

	Column 1 6.35% Tax Rate	Column 2 7.75 % Tax Rate
15. Sales for resale - sales of goods		
16. Sales for resale - leases and rentals		
17. Sales for resale - labor and services		
18. All newspapers and subscription sales of magazines and puzzle magazines		
19. Trucks with GVW rating over 26,000 lbs. or used exclusively for carriage of interstate freight		
21. Food for human consumption, food sold in vending machines, items purchased with food stamps		
23. Sale of fuel for motor vehicles		
24. Sales of electricity, gas, and heating fuel for residential dwellings For Utility & Heating		
25. Sales of electricity - \$150 monthly charge per business Fuel Companies		
26. Sales of electricity, gas, and heating fuel for manufacturing or agricultural production Only		
27. Aviation fuel		
29. Tangible personal property to persons issued a Farmer Tax Exemption Permit		
30. Machinery, its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing		
31. Machinery, materials, tools, and equipment used in commercial printing process or publishing		
32. Vessels, machinery, materials, tools, and fuel for commercial fishing		
33. Out-of-state - sales of goods		
34. Out-of-state - leases and rentals		
35. Out-of-state - labor and services		
36. Motor vehicles or vessels purchased by nonresidents		
37. Prescription medicines and diabetic equipment		
38. Nonprescription drugs and medicines. (Effective beginning 04/01/15.)		
39. Charitable or religious organizations - sales of goods		
40. Charitable or religious organizations - leases and rentals		
41. Charitable or religious organizations - labor and services		
42. Federal, Connecticut, or municipal agencies - sales of goods		
43. Federal, Connecticut, or municipal agencies - leases and rentals		
44. Federal, Connecticut, or municipal agencies - labor and services		
45. Items certified for air or water pollution abatement - sales, leases, and rentals of goods		
47. Nontaxable labor and services		
48. Services between wholly owned business entities		
50. Trade-ins of all like-kind tangible personal property		
52. Taxed goods returned within 90 days at the rate listed above in Columns 1 or 2		
56. Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods		
63. Funeral expenses		
69. Repair services, repair and replacement parts for aircraft, and certain aircraft		
71. Certain machinery under the Manufacturing Recovery Act of 1992		
72. Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry		
73. Repair and maintenance services and fabrication labor to vessels		
74. Computer and data processing services at 1% (See instructions, Form O-88.)		
75. Renovation and repair services to residential real property		
77. Sales of qualifying items to direct payment permit holders		
78. Sales of college textbooks		
79. Sales tax holiday		
82. Motor vehicles sold to active duty nonresident members of the armed forces at 4.5%		
83. For cigarette dealers only : Purchases of cigarettes taxed by a stamper or distributor		
A. Other Adjustments - sales of goods (Describe: ● Materials consumed, including tax paid)	A. 60,000	
B. Other Adjustments - leases and rentals (Describe: ●)	B.	
C. Other Adjustments - labor and services (Describe: ● Subcontractor's services, including tax paid)	C. 31,905	
Total Deductions: Enter here and on Line 8 on the front of this return.	● 91,905 ●	

Amount of the materials included on Line 3 on which the subcontractor has already paid the sales tax to their vendor.

notes

Example 3

Facts

- This is a taxable renovation to commercial property.
- All materials for this job are purchased by the subcontractors (SC).
- Tax is paid by SC's on their materials at the time of purchase.
- General contractor (GC) issues resale certificates to SC's for taxable services.
- GC does not break down the bill to the property owner.
- GC must keep accurate records of the actual costs of materials and service, including all subcontracting costs.
- GC charges tax to the property owner only on the service portion of the bill.
- GC must charge 6.35% sales tax on the total SC's services.
- GC bills the property owner on a sales tax included basis for their service portion of the bill.
- GC bills the property owner \$130,000 to include all materials, services and sales tax on the service portion of the bill.
- GC determines the gross receipts from taxable services by multiplying the total charges for taxable services by 94.03%.
- The tax is determined by subtracting the gross receipts from taxable services from the total charges for taxable services.

Bills & Books

Subcontractor (SC)

SC's bill to GC:		
Materials purchased (including taxes paid)	\$ 60,000.00	Reported on SC's Form OS-114, Deductions Line A, Other Adjustments - sales of goods
SC services	\$ 30,000.00	Reported on SC's Form OS-114, Deductions Line 17, Sales for resale - labor and services
Total	\$ 90,000.00	Reported on SC's Form OS-114, Line 3

See sample subcontractor sales tax return on pages 84-85.

General Contractor (GC)

GC's bill to property owner:		
Total labor and materials (sales tax included on services)	\$ 130,000.00	

GC's books:		
<i>Materials</i>		
Materials - SC (including taxes paid by SC to vendors)	\$ 60,000.00	
<i>Services</i>		
SC's services	\$ 30,000.00	
Sales tax on SC services	x 6.35% \$ 1,905.00	
Total SC services	\$ 31,905.00	
GC's services (sales tax included)	\$ 38,095.00	
The Alternative Factor	x 94.03%	
Gross receipts	(\$38,095 * 0.9403) \$ 35,820.73	
Sales tax on GC services	(\$38,095 - \$35,820.73) \$ 2,274.27	
Total GC services (sales tax included)	\$ 38,095.00	
Total sales tax on all services	(\$1,905 + \$2,274.27) \$ 4,179.27	
Total	\$ 130,000.00	

Reported on GC's Form OS-114, Line 3:	
Materials (taxes paid)	\$ 60,000.00
SC's services (without tax)	\$ 30,000.00
GC's services (without tax)	\$ 35,820.73
Total reported on Line 3	\$ 125,820.73

Reported on GC's Form OS-114, Deductions Line A, Other Adjustments - sales of goods	
Materials (taxes paid)	\$ 60,000.00
GC's services (without tax)	\$ 35,820.73
Total reported on Line 3	\$ 125,820.73

See sample general contractor sales tax return on pages 86-87.

A contractor's service charge, sometimes referred to as the labor charge, is determined by subtracting the cost of materials (including tax paid on materials) from the total contract price. In other words, every cent above the contractor's cost of materials physically incorporated into the real property, plus the tax paid on those materials, is considered the service charge. See *Service Charge* on Page 14.



Form OS-114 (SUT) Connecticut Sales and Use Tax Return

See **Form O-88, Instructions for Form OS-114 Sales and Use Tax Return**. Form OS-114 **must** be filed and paid on or before the last day of the month following the end of the period.

Type or print. Complete the return in blue or black ink only. **Do not** use grayed-out fields.

For period ending [] (MMDDYYYY)	Due date [] (MMDDYYYY)	Connecticut Tax Registration Number []
Federal Employer Identification Number []		Check here if this is an amended return. <input type="checkbox"/>
DRS use only [] (MMDDYYYY)		

EXAMPLE 3 (Subcontractor's Return)

Rounding: You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents.

	Column 1 6.35% Tax Rate	Column 2 7.75% Tax Rate	Column 3 9.35% Tax Rate
1. Gross receipts from sales of goods. 1.			
2. Gross receipts from leases and rentals. 2.			
3. Gross receipts from labor and services. 3.	90,000		
4. Goods purchased by your business subject to use tax. 4.			
5. Leases and rentals by your business subject to use tax. 5.			
6. Services purchased by your business subject to use tax. 6.			
7. Total: Add Lines 1 through 6 7.	90,000		
8. Deductions. See instructions 8.	90,000		
9. Subtract Line 8 from Line 7. If zero or less, enter "0". 9.	0		
10a. Amount of tax due: Multiply Line 9 by Tax Rate. 10a.	0		
10. Total tax due: Add Line 10a, Columns 1, 2, and 3. 10.			0
11. For amended return only, enter tax paid on prior return. 11.			
12. Net amount of tax due: Subtract Line 11 from Line 10. 12.			0
13. Interest + Penalty = 13.			0
14. Total amount due: Add Line 12 and Line 13. 14.			0

Total amount of:

- Materials purchased by the subcontractor (including the tax the subcontractor paid to their vendor); and
- The subcontractor's service charge to the general contractor (not including sales tax on the services).

Total deductions
 (see next page)

If applicable, provide the following information:

Final return Enter last business date: [] (MMDDYYYY)

Enter new mailing address: • []

Enter new physical location (PO Box is not acceptable.): • []

Enter new trade name: • [] First return - Enter business start date: • []

New owners must obtain a new Connecticut Tax Registration Number.

Enter new owner name: • [] Date sold: • [] (MMDDYYYY)

Address: • []

Declaration: I declare under the penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here	Taxpayer's signature	Title	Date (MMDDYYYY)	Telephone number
	• []	• []	• []	• []
Keep a copy of this return for your records.	Taxpayer's email	Paid preparer's signature	Paid preparer's address	Date (MMDDYYYY)
	[]	• []	• []	• []

All quarterly and monthly filers **must** file Form OS-114 and pay its associated taxes electronically. Visit www.ct.gov/TSC to file your return electronically using the **TSC** or call the **Connecticut Business Telefile System** toll-free at **855-665-9471** or **860-449-1011** (from Groton area) to file your return using **Telefile**. To request a one-year waiver from this electronic filing requirement visit www.ct.gov/drs/TSCfiling to complete **Form DRS-EWVR, Electronic Filing and Payment Waiver Request**.

Personal or business expenses cannot be claimed on this return.

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See instructions (Form O-88) before completing.

CT Tax Registration #

Deductions

	Column 1 6.35% Tax Rate	Column 2 7.75 % Tax Rate
15. Sales for resale - sales of goods		
16. Sales for resale - leases and rentals		
17. Sales for resale - labor and services	30,000	
18. All newspapers and subscription sales of magazines and puzzle magazines		
19. Trucks with GVW rating over 26,000 lbs. or used exclusively for carriage of interstate freight.....		
21. Food for human consumption, food sold in vending machines, items purchased with food stamps		
23. Sale of fuel for motor vehicles		
24. Sales of electricity, gas, and heating fuel for residential dwellings..... For Utility & Heating		
25. Sales of electricity - \$150 monthly charge per business		
26. Sales of electricity, gas, and heating fuel for manufacturing or agricultural production .. Only		
27. Aviation fuel.....		
29. Tangible personal property to persons issued a Farmer Tax Exemption Permit.....		
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		
32. Vessels, machinery, materials, tools, and fuel for commercial fishing		
33. Out-of-state - sales of goods		
34. Out-of-state - leases and rentals		
35. Out-of-state - labor and services		
36. Motor vehicles or vessels purchased by nonresidents		
37. Prescription medicines and diabetic equipment		
38. Nonprescription drugs and medicines. (Effective beginning 04/01/15.)		
39. Charitable or religious organizations - sales of goods.....		
40. Charitable or religious organizations - leases and rentals.....		
41. Charitable or religious organizations - labor and services.....		
42. Federal, Connecticut, or municipal agencies - sales of goods		
43. Federal, Connecticut, or municipal agencies - leases and rentals		
44. Federal, Connecticut, or municipal agencies - labor and services		
45. Items certified for air or water pollution abatement - sales, leases, and rentals of goods		
47. Nontaxable labor and services		
48. Services between wholly owned business entities		
50. Trade-ins of all like-kind tangible personal property		
52. Taxed goods returned within 90 days at the rate listed above in Columns 1 or 2		
56. Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods		
63. Funeral expenses		
69. Repair services, repair and replacement parts for aircraft, and certain aircraft		
71. Certain machinery under the Manufacturing Recovery Act of 1992		
72. Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry		
73. Repair and maintenance services and fabrication labor to vessels.....		
74. Computer and data processing services at 1% (See instructions, Form O-88.)		
75. Renovation and repair services to residential real property		
77. Sales of qualifying items to direct payment permit holders		
78. Sales of college textbooks.....		
79. Sales tax holiday		
82. Motor vehicles sold to active duty nonresident members of the armed forces at 4.5%.....		
83. For cigarette dealers only : Purchases of cigarettes taxed by a stamper or distributor.....		
A. Other Adjustments - sales of goods (Describe: <input type="text"/> Materials consumed, including tax paid) A.	60,000	
B. Other Adjustments - leases and rentals (Describe: <input type="text"/>) B.		
C. Other Adjustments - labor and services (Describe: <input type="text"/>) C.		
Total Deductions: Enter here and on Line 8 on the front of this return. •	90,000 •	

Amount of the subcontractor's services included on Line 3 that they sold to the general contractor on a resale basis.

Amount of the materials, included on Line 3 on which the subcontractor has already paid sales tax to the vendor.



Form OS-114 (SUT) Connecticut Sales and Use Tax Return

See Form O-88, Instructions for Form OS-114 Sales and Use Tax Return. Form OS-114 must be filed and paid on or before the last day of the month following the end of the period.

Type or print. Complete the return in blue or black ink only. Do not use grayed-out fields.

For period ending (MMDDYYYY)	Due date (MMDDYYYY)	Connecticut Tax Registration Number
		Federal Employer Identification Number
		Check here if this is an amended return. <input type="checkbox"/>
		DRS use only
		(MMDDYYYY)

EXAMPLE 3 (General Contractor's Return)

Rounding: You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents.

	Column 1 6.35% Tax Rate	Column 2 7.75% Tax Rate	Column 3 9.35% Tax Rate
1. Gross receipts from sales of goods. 1.			
2. Gross receipts from leases and rentals. 2.			
3. Gross receipts from labor and services. 3.	125,821		
4. Goods purchased by your business subject to use tax. 4.			
5. Leases and rentals by your business subject to use tax. 5.			
6. Services purchased by your business subject to use tax. 6.			
7. Total: Add Lines 1 through 6 7.	125,821		
8. Deductions. See instructions 8.	60,000		
9. Subtract Line 8 from Line 7. If zero or less, enter "0". 9.	65,821		
10a. Amount of tax due: Multiply Line 9 by Tax Rate. 10a.	4,179		
10. Total tax due: Add Line 10a, Columns 1, 2, and 3. 10.			4,179
11. For amended return only, enter tax paid on prior return. 11.			
12. Net amount of tax due: Subtract Line 11 from Line 10. 12.			4,179
13. Interest + Penalty = 13.			
14. Total amount due: Add Line 12 and Line 13. 14.			4,179

Total amount of:

- Materials purchased by the subcontractor (including the tax the subcontractor paid to their vendor);
- The subcontractor's service; and
- The general contractor's service. (sales tax on the general contractor's services is not included on this line).

Total deductions (see next page)

If applicable, provide the following information: Final return Enter last business date: (MMDDYYYY)

Enter new mailing address: •
 Enter new physical location (PO Box is not acceptable.): •
 Enter new trade name: • First return - Enter business start date: •

New owners must obtain a new Connecticut Tax Registration Number.
 Enter new owner name: • Date sold: • (MMDDYYYY)
 Address: •

Declaration: I declare under the penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here	Taxpayer's signature	Title	Date (MMDDYYYY)	Telephone number
Keep a copy of this return for your records.	Taxpayer's email	Paid preparer's signature		Date (MMDDYYYY)
		Paid preparer's address		

All quarterly and monthly filers must file Form OS-114 and pay its associated taxes electronically. Visit www.ct.gov/TSC to file your return electronically using the TSC or call the Connecticut Business Telefile System toll-free at 855-665-9471 or 860-449-1011 (from Groton area) to file your return using Telefile. To request a one-year waiver from this electronic filing requirement visit www.ct.gov/drs/TSCfiling to complete Form DRS-EWVR, Electronic Filing and Payment Waiver Request.

Personal or business expenses cannot be claimed on this return.

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See instructions (Form O-88) before completing.

CT Tax Registration # ●

Deductions

	Column 1 6.35% Tax Rate	Column 2 7.75 % Tax Rate
15. Sales for resale - sales of goods		
16. Sales for resale - leases and rentals		
17. Sales for resale - labor and services		
18. All newspapers and subscription sales of magazines and puzzle magazines		
19. Trucks with GVW rating over 26,000 lbs. or used exclusively for carriage of interstate freight.....		
21. Food for human consumption, food sold in vending machines, items purchased with food stamps		
23. Sale of fuel for motor vehicles		
24. Sales of electricity, gas, and heating fuel for residential dwellings..... For Utility & Heating		
25. Sales of electricity - \$150 monthly charge per business		
26. Sales of electricity, gas, and heating fuel for manufacturing or agricultural production .. Only		
27. Aviation fuel.....		
29. Tangible personal property to persons issued a Farmer Tax Exemption Permit.....		
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		
32. Vessels, machinery, materials, tools, and fuel for commercial fishing		
33. Out-of-state - sales of goods		
34. Out-of-state - leases and rentals		
35. Out-of-state - labor and services		
36. Motor vehicles or vessels purchased by nonresidents		
37. Prescription medicines and diabetic equipment		
38. Nonprescription drugs and medicines. (Effective beginning 04/01/15.)		
39. Charitable or religious organizations - sales of goods.....		
40. Charitable or religious organizations - leases and rentals.....		
41. Charitable or religious organizations - labor and services.....		
42. Federal, Connecticut, or municipal agencies - sales of goods		
43. Federal, Connecticut, or municipal agencies - leases and rentals		
44. Federal, Connecticut, or municipal agencies - labor and services		
45. Items certified for air or water pollution abatement - sales, leases, and rentals of goods		
47. Nontaxable labor and services		
48. Services between wholly owned business entities		
50. Trade-ins of all like-kind tangible personal property		
52. Taxed goods returned within 90 days at the rate listed above in Columns 1 or 2.....		
56. Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods		
63. Funeral expenses		
69. Repair services, repair and replacement parts for aircraft, and certain aircraft.....		
71. Certain machinery under the Manufacturing Recovery Act of 1992.....		
72. Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry		
73. Repair and maintenance services and fabrication labor to vessels.....		
74. Computer and data processing services at 1% (See instructions, Form O-88.)		
75. Renovation and repair services to residential real property		
77. Sales of qualifying items to direct payment permit holders		
78. Sales of college textbooks.....		
79. Sales tax holiday		
82. Motor vehicles sold to active duty nonresident members of the armed forces at 4.5%.....		
83. For cigarette dealers only : Purchases of cigarettes taxed by a stamper or distributor.....		
A. Other Adjustments - sales of goods (Describe: ● <i>Materials consumed, including tax paid</i>) A.	60,000	
B. Other Adjustments - leases and rentals (Describe: ●) B.		
C. Other Adjustments - labor and services (Describe: ●) C.		
Total Deductions: Enter here and on Line 8 on the front of this return.	60,000	

Amount of the materials included on Line 3 on which the subcontractor has already paid the sales tax to their vendor.

notes

Example 4

Facts

- This is a taxable renovation to commercial property.
- All materials for this job are purchased by the subcontractors (SC).
- Tax is paid by the SC's on their materials at the time of purchase.
- General contractor (GC) **does not** issue resale certificates to subcontractors for taxable services.
- The GC does not break down the bill to the property owner.
- The GC must keep accurate records of the actual costs of materials and service, including all subcontracting costs.
- The GC charges tax to the property owner only on the service portion of the bill.
- The GC bills the owner on a sales tax included basis for the service portion of the bill.
- The GC bills the property owner \$130,000 to include all materials, services and sales tax.
- The GC determines the gross receipts from taxable services by multiplying the total charges for taxable services by 94.03%.
- The tax is determined by subtracting the gross receipts from taxable services from the total charges for taxable services.

Bills & Books

Subcontractor (SC)

SC's bill to GC:

Total labor and materials (sales tax included on services)	\$ 90,000.00
--	--------------

SC's books:

Materials purchased	\$	56,417.49		
Taxes paid	\$	3,582.51		
Total materials			\$	60,000.00
Total services		\$	30,000.00	
The Alternative Factor	x	94.03%		
Gross receipts			\$	28,209.00
Sales tax on services (\$30,000 - \$28,209)			\$	1,791.00
Total			\$	90,000.00

Reported on SC's Form OS-114, Line 3:

Materials (taxes paid)	\$ 60,000.00
Services	\$ 28,209.00
Total reported on Line 3	\$ 88,209.00

Reported on SC's Form OS-114, Deductions Line A, Other Adjustments - sales of goods

See sample subcontractor sales tax return on pages 90-91.

General Contractor (GC)

GC's bill to property owner:

Total labor and materials (sales tax included on services)	\$ 130,000.00
--	---------------

GC's books:

SC's labor and materials (including taxes paid)	\$	90,000.00		
GC's services		\$	40,000.00	
The Alternative Factor	x	94.03%		
Gross receipts			\$	37,612.00
Sales tax on services (\$40,000 - \$37,612)			\$	2,388.00
Total			\$	130,000.00

Reported on GC's Form OS-114, Line 3:

SC's labor and materials (taxes paid)	\$ 90,000.00
GC's services (without tax)	\$ 37,612.00
Total reported on Line 3	\$ 127,612.00

Reported on GC's Form OS-114, Deductions Line C, Other Adjustments - sales of labor and services

See sample general contractor sales tax return on pages 92-93.

A contractor's service charge, sometimes referred to as the labor charge, is determined by subtracting the cost of materials (including tax paid on materials) from the total contract price. In other words, every cent above the contractor's cost of materials physically incorporated into the real property, plus the tax paid on those materials, is considered the service charge.

See *Service Charge* on Page 14.



Form OS-114 (SUT) Connecticut Sales and Use Tax Return

See **Form O-88, Instructions for Form OS-114 Sales and Use Tax Return**. Form OS-114 **must** be filed and paid on or before the last day of the month following the end of the period.

Type or print. Complete the return in blue or black ink only. **Do not** use grayed-out fields.

For period ending <input type="text"/>	Due date <input type="text"/>	Connecticut Tax Registration Number <input type="text"/>
(MMDDYYYY) • (MMDDYYYY)		Federal Employer Identification Number <input type="text"/>
		Check here if this is an amended return. <input type="checkbox"/>
		DRS use only <input type="text"/> (MMDDYYYY)

EXAMPLE 4 (Subcontractor's Return)

Rounding: You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents.

	Column 1 6.35% Tax Rate	Column 2 7.75% Tax Rate	Column 3 9.35% Tax Rate
1. Gross receipts from sales of goods. 1.			
2. Gross receipts from leases and rentals. 2.			
3. Gross receipts from labor and services. 3.	88,209		
4. Goods purchased by your business subject to use tax. 4.			
5. Leases and rentals by your business subject to use tax. 5.			
6. Services purchased by your business subject to use tax. 6.			
7. Total: Add Lines 1 through 6 7.	88,209		
8. Deductions. See instructions 8.	60,000		
9. Subtract Line 8 from Line 7. If zero or less, enter "0". 9.	28,209		
10a. Amount of tax due: Multiply Line 9 by Tax Rate. 10a.	1,791		
10. Total tax due: Add Line 10a, Columns 1, 2, and 3. 10.			1,791
11. For amended return only, enter tax paid on prior return. 11.			
12. Net amount of tax due: Subtract Line 11 from Line 10. 12.			1,791
13. Interest + Penalty = 13.			
14. Total amount due: Add Line 12 and Line 13. 14.			1,791

Total amount of:

- Materials purchased by the subcontractor (including the tax the subcontractor paid to their vendor); and
- The subcontractor's service charge to the general contractor (not including sales tax on the services).

Total deductions
(see next page)

If applicable, provide the following information: Final return Enter last business date: (MMDDYYYY)

Enter new mailing address: •

Enter new physical location (PO Box is not acceptable.): •

Enter new trade name: • First return - Enter business start date: •

New owners must obtain a new Connecticut Tax Registration Number.

Enter new owner name: • Date sold: • (MMDDYYYY)

Address: •

Declaration: I declare under the penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here	Taxpayer's signature	Title	Date (MMDDYYYY)	Telephone number
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Keep a copy of this return for your records.	Taxpayer's email	Paid preparer's signature		Date (MMDDYYYY)
	<input type="text"/>	<input type="text"/>		<input type="text"/>
	Paid preparer's address			
	<input type="text"/>			

All quarterly and monthly filers **must** file Form OS-114 and pay its associated taxes electronically. Visit www.ct.gov/TSC to file your return electronically using the **TSC** or call the **Connecticut Business Telefile System** toll-free at **855-665-9471** or **860-449-1011** (from Groton area) to file your return using **Telefile**. To request a one-year waiver from this electronic filing requirement visit www.ct.gov/drs/TSCfiling to complete **Form DRS-EWVR, Electronic Filing and Payment Waiver Request**.

Personal or business expenses cannot be claimed on this return.

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See instructions (Form O-88) before completing.

CT Tax Registration #

Deductions

- 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 GVW rating over 26,000 lbs. or used exclusively for carriage of interstate freight..... 19.
- 21. Food for human consumption, food sold in vending machines, items purchased with food stamps 21.
- 23. Sale of fuel for motor vehicles 23.
- 24. Sales of electricity, gas, and heating fuel for residential dwellings..... **For Utility & Heating** 24.
- 25. Sales of electricity - \$150 monthly charge per business **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 a 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. Vessels, 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 36.
- 37. Prescription medicines and diabetic equipment 37.
- 38. Nonprescription drugs and medicines. (Effective beginning 04/01/15.) 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 48.
- 50. Trade-ins of all like-kind tangible personal property 50.
- 52. Taxed goods returned within 90 days at the rate listed above in Columns 1 or 2 52.
- 56. Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods 56.
- 63. Funeral expenses 63.
- 69. Repair services, repair and replacement parts for aircraft, and certain aircraft 69.
- 71. Certain machinery under the Manufacturing Recovery Act of 1992 71.
- 72. Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry 72.
- 73. Repair and maintenance services and fabrication labor to vessels..... 73.
- 74. Computer and data processing services at 1% (See instructions, Form O-88.) 74.
- 75. Renovation and repair services to residential real property 75.
- 77. Sales of qualifying items to direct payment permit holders 77.
- 78. Sales of college textbooks..... 78.
- 79. Sales tax holiday 79.
- 82. Motor vehicles sold to active duty nonresident members of the armed forces at 4.5%..... 82.
- 83. For cigarette dealers **only**: Purchases of cigarettes taxed by a stamper or distributor..... 83.

Column 1
6.35% Tax Rate

Column 2
7.75 % Tax Rate

- A. Other Adjustments - sales of goods (Describe:) A.
- B. Other Adjustments - leases and rentals (Describe:) B.
- C. Other Adjustments - labor and services (Describe:) C.

Total Deductions: Enter here and on Line 8 on the front of this return.

Line	Column 1 6.35% Tax Rate	Column 2 7.75 % Tax Rate
15		
16		
17		
18		
19		
21		
23		
24		
25		
26		
27		
29		
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31		
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63		
69		
71		
72		
73		
74		
75		
77		
78		
79		
82		
83		
A	60,000	
B		
C		
Total Deductions	60,000	

Amount of the materials, included on Line 3 on which the subcontractor has already paid sales tax to the vendor.



Form OS-114 (SUT) Connecticut Sales and Use Tax Return

See **Form O-88, Instructions for Form OS-114 Sales and Use Tax Return**. Form OS-114 **must** be filed and paid on or before the last day of the month following the end of the period.

Type or print. Complete the return in blue or black ink only. **Do not** use grayed-out fields.

For period ending (MMDDYYYY)	Due date (MMDDYYYY)	Connecticut Tax Registration Number
		Federal Employer Identification Number
		Check here if this is an amended return. <input type="checkbox"/>
		DRS use only
		(MMDDYYYY)

EXAMPLE 4 (General Contractor's Return)

Rounding: You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents.

	Column 1 6.35% Tax Rate	Column 2 7.75% Tax Rate	Column 3 9.35% Tax Rate
1. Gross receipts from sales of goods. 1.			
2. Gross receipts from leases and rentals. 2.			
3. Gross receipts from labor and services. 3.	127,612		
4. Goods purchased by your business subject to use tax. 4.			
5. Leases and rentals by your business subject to use tax. 5.			
6. Services purchased by your business subject to use tax. 6.			
7. Total: Add Lines 1 through 6 7.	127,612		
8. Deductions. See instructions 8.	90,000		
9. Subtract Line 8 from Line 7. If zero or less, enter "0". 9.	37,612		
10a. Amount of tax due: Multiply Line 9 by Tax Rate. 10a.	2,388		
10. Total tax due: Add Line 10a, Columns 1, 2, and 3. 10.			2,388
11. For amended return only, enter tax paid on prior return. 11.			
12. Net amount of tax due: Subtract Line 11 from Line 10. 12.			2,388
13. Interest + Penalty = 13.			
14. Total amount due: Add Line 12 and Line 13. 14.			2,388

Total amount of:

- The subcontractor's materials and labor (including taxes paid); and
- The general contractor's service (sales tax on the general contractor's services is not included on this line).

Total deductions (see next page)

If applicable, provide the following information: Final return Enter last business date: (MMDDYYYY)

Enter new mailing address: *

Enter new physical location (PO Box is not acceptable.): *

Enter new trade name: * First return - Enter business start date: *

New owners must obtain a new Connecticut Tax Registration Number.

Enter new owner name: * Date sold: * (MMDDYYYY)

Address: *

Declaration: I declare under the penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here	Taxpayer's signature	Title	Date (MMDDYYYY)	Telephone number
	Taxpayer's email			
Keep a copy of this return for your records.	Paid preparer's signature	Paid preparer's address	Date (MMDDYYYY)	

All quarterly and monthly filers **must** file Form OS-114 and pay its associated taxes electronically. Visit www.ct.gov/TSC to file your return electronically using the **TSC** or call the **Connecticut Business Telefile System** toll-free at **855-665-9471** or **860-449-1011** (from Groton area) to file your return using **Telefile**. To request a one-year waiver from this electronic filing requirement visit www.ct.gov/drs/TSCfiling to complete **Form DRS-EWVR, Electronic Filing and Payment Waiver Request**.

Personal or business expenses cannot be claimed on this return.

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See instructions (Form O-88) before completing.

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Deductions

	Column 1 6.35% Tax Rate	Column 2 7.75 % Tax Rate
15. Sales for resale - sales of goods		
16. Sales for resale - leases and rentals		
17. Sales for resale - labor and services		
18. All newspapers and subscription sales of magazines and puzzle magazines		
19. Trucks with GVW rating over 26,000 lbs. or used exclusively for carriage of interstate freight.....		
21. Food for human consumption, food sold in vending machines, items purchased with food stamps		
23. Sale of fuel for motor vehicles		
24. Sales of electricity, gas, and heating fuel for residential dwellings..... For Utility & Heating		
25. Sales of electricity - \$150 monthly charge per business		
26. Sales of electricity, gas, and heating fuel for manufacturing or agricultural production .. Only		
27. Aviation fuel.....		
29. Tangible personal property to persons issued a Farmer Tax Exemption Permit.....		
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		
32. Vessels, machinery, materials, tools, and fuel for commercial fishing		
33. Out-of-state - sales of goods		
34. Out-of-state - leases and rentals		
35. Out-of-state - labor and services		
36. Motor vehicles or vessels purchased by nonresidents		
37. Prescription medicines and diabetic equipment		
38. Nonprescription drugs and medicines. (Effective beginning 04/01/15.)		
39. Charitable or religious organizations - sales of goods.....		
40. Charitable or religious organizations - leases and rentals.....		
41. Charitable or religious organizations - labor and services.....		
42. Federal, Connecticut, or municipal agencies - sales of goods		
43. Federal, Connecticut, or municipal agencies - leases and rentals		
44. Federal, Connecticut, or municipal agencies - labor and services		
45. Items certified for air or water pollution abatement - sales, leases, and rentals of goods		
47. Nontaxable labor and services		
48. Services between wholly owned business entities		
50. Trade-ins of all like-kind tangible personal property		
52. Taxed goods returned within 90 days at the rate listed above in Columns 1 or 2.....		
56. Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods		
63. Funeral expenses.....		
69. Repair services, repair and replacement parts for aircraft, and certain aircraft.....		
71. Certain machinery under the Manufacturing Recovery Act of 1992.....		
72. Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry		
73. Repair and maintenance services and fabrication labor to vessels.....		
74. Computer and data processing services at 1% (See instructions, Form O-88.)		
75. Renovation and repair services to residential real property		
77. Sales of qualifying items to direct payment permit holders		
78. Sales of college textbooks.....		
79. Sales tax holiday		
82. Motor vehicles sold to active duty nonresident members of the armed forces at 4.5%.....		
83. For cigarette dealers only : Purchases of cigarettes taxed by a stamper or distributor		
A. Other Adjustments - sales of goods (Describe: ● <input type="text"/>) A.		
B. Other Adjustments - leases and rentals (Describe: ● <input type="text"/>) B.		
C. Other Adjustments - labor and services (Describe: ● <input type="text"/>) C.		
<i>Subcontractor's services, including tax paid</i>	90,000	
Total Deductions: Enter here and on Line 8 on the front of this return. ●	90,000 ●	

Amount of the subcontractor's materials and service charge on which the general contractor has already paid tax to the subcontractor.

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 the information may change. The most current versions are available on the DRS website at portal.ct.gov/DRS.

SALES AND USE TAX FORMS AND PUBLICATIONS

Form OS-114	Connecticut Sales and Use Tax Return	SN 2012(2)	2011 Legislative Changes to the Procedures Governing Nonresident Contractors
Form OP-186	Connecticut Individual Use Tax Return		
IP 2018(19)	Farmer's Guide to Sales and Use Taxes, Motor Vehicle Fuels Tax, Estimated Income Taxes, and Withholding Tax	SN 2001(5)	The "Buy Connecticut" Provision
		SN 98(6)	Exemption From Sales and Use Taxes for Projects of the Connecticut Resources Recovery Authority and Solid Waste-to-Energy Facilities
IP 2015(16)	Q & A on the Connecticut Use Tax for Businesses and Professions		
IP 2009(13)	Sales and Use Taxes Guide for Manufacturers, Fabricators and Processors	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.)
IP 2009(15)	Notice to Retailers on Sales and Use Tax Resale Certificate		
IP 2004(7)	Q & A on the Connecticut Direct Payment Permit Program	-	Topical Index to Rulings and Administrative Pronouncements Covering Sales and Use Taxes
PS 2014(1)	Tax Exemptions for Certain Water Pollution Control Equipment		
PS 2002(6)	Sales and Use Tax Exemption for Low and Moderate Income Housing Facilities		
PS 99(2)	Tax Exemptions for Certain Air Pollution Control Equipment		
PS 98(5)	Sales and Use Tax Refund Policy		
PS 94(7)	Fabrication and Installation of Stock and Custom Cabinets		

SALES AND USE TAX REGULATIONS

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

MISCELLANEOUS

REG-1	Application for Tax Registration Number	IP 2016(14)	Q & A on the Business Entity Tax
LGL-001	Power of Attorney	PS 2017(1)	Your Rights as a Connecticut Taxpayer
LGL-002	Request for Disclosure of Tax Return or Tax Return Information	PS 2008(2)	Requests for Issuance of a Ruling
LGL-003	Limited Power of Attorney	PS 2000(8)	Procedures in Handling Requests for Issuance of Technical Advice Memoranda
CT-8822	Change of Address	PS 92(12.1)	Limited Liability Companies
IP 2018(5)	Getting Started in Business	Ruling 2002-3	
IP 2018(6)	Procedures to Request Disclosure of Tax Returns and Tax Return Information	-	Topical Index to Rulings and Administrative Pronouncements Covering Miscellaneous Taxes and Administrative Topics
IP 2018(10)	Successor Liability and Request for Tax Clearance	-	Numerical Index to Rulings and Administrative Pronouncements As Affected, If At All, By Later-Issued Rulings and Pronouncements
IP 2017(15)	Filing and Paying Connecticut Taxes Electronically		
IP 2017(20)	Q & A Concerning Freedom of Information Act Requests		

SALES AND USE TAXES EXEMPTION CERTIFICATES

CERT-100	Materials, Tools, and Fuel	CERT-111	Machinery, Equipment, Materials, Tools, and Fuel Used by an Aircraft Manufacturer Operating an Aircraft Manufacturing Facility
CERT-101	Machinery, Component Parts, and Replacement and Repair Parts of Machinery Used Directly in a Manufacturing Process	CERT-112	Exempt Purchase of Meals or Lodging by Exempt Entities
CERT-102	Certified Rehabilitation Certificate for Certified Historic Structures	CERT-113	Purchases of Tangible Personal Property and Services by Certain Hospitals, Nonprofit Nursing Homes, Nonprofit Rest Homes, or Nonprofit Residential Care Homes
CERT-103	Residential Condominium Association	CERT-114	Commercial Motor Vehicle or Motor Bus Purchased Within Connecticut for Use in Interstate Commerce as an Interstate Motor Bus
CERT-104	Services Certificate for New Construction	CERT-115	Exempt Purchases of Gas, Electricity, and Heating Fuel
CERT-105	Commercial Motor Vehicle Purchased Within Connecticut for Use Exclusively in the Carriage of Freight in Interstate Commerce	CERT-116	Exempt Petroleum Products Certificate
CERT-106	Claim for Refund of Use Tax Paid on Motor Vehicle Purchased From Other Than a Motor Vehicle Dealer	CERT-117	Purchases of Tangible Personal Property Incorporated Into or Consumed in Air Pollution Control Facilities
CERT-108	Partial Exemption of Materials, Tools, and Fuels	CERT-119	Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations
CERT-109	Partial Exemption for Machinery, Equipment, or Repair and Replacement Parts		
CERT-110	Aircraft Repair Services - Aircraft Repair and Replacement Parts		

CERT-120	Machinery, Equipment, Tools, Materials, and Supplies Used in the Production of Printed Material or in Prepress Production	CERT-132	Sales and Use Tax Exemption for Purchases Made Under the Buy Connecticut Provision
CERT-121	Exemption for Landscaping and Horticulture Services, Window Cleaning Services, and Maintenance Services Provided to Recipients of Total Disability Benefits	CERT-133	Contractor's Exempt Purchase Certificate for a Renovation Contract With a Direct Payment Permit Holder
CERT-122	Refund of Tax Paid on Purchases of Meals or Lodging by Exempt Entities	CERT-134	Exempt Purchases by Qualifying Governmental Agencies
CERT-123	Blanket Certificate for Exempt Qualifying Purchases of Meals or Lodging by an Exempt Organization or Qualifying Governmental Agency	CERT-135	Reduced Sales and Use Tax Rate for Motor Vehicles Purchased by Nonresident Military Personnel and Their Spouses
CERT-124	Purchases of Tangible Personal Property Incorporated Into or Consumed in Water Pollution Control Facilities	CERT-136	Purchases of Items by Eleemosynary Organizations and Schools That Will Be Resold Tax-Exempt for \$20 or Less
CERT-125	Sales and Use Tax Exemption for a Motor Vehicle Purchased by a Nonresident of Connecticut	CERT-137	Sales and Use Tax Certificate for Sales and Leaseback Arrangements
CERT-126	Exempt Purchases of Tangible Personal Property or Services for Low and Moderate Income Housing Facilities	CERT-138	Purchases for Use in Audio or Video Production or Broadcasting
CERT-127	Exempt Purchases by an Enrolled Member or by the Tribal Government of the Mashantucket Pequot Tribe or Mohegan Tribe	CERT-139	Sales and Use Tax Exemption for a Vessel Purchased by a Nonresident of Connecticut
CERT-128	Exempt Purchases by Contractors in Connection With Construction Projects in Indian Country of the Mashantucket Pequot or Mohegan Tribes	CERT-140	Solar Heating Systems, Solar Electricity Generating Systems, and Ice Storage Cooling Systems
CERT-129	Exemption for Items Used Directly in the Biotechnology Industry	CERT-141	Contractors Exempt Purchase Certificate
CERT-131	Exemption for Projects of the Connecticut Resources Recovery Authority and Solid Waste-to-Energy Facilities	CERT-142	Items Used Directly in the Renewable Energy and Clean Energy Technology Industries
		CERT-143	Sales and Use Tax Exemption for Purchases of Vessels Docked in Connecticut for 60 or Fewer Days in a Calendar Year
			<ul style="list-style-type: none"> • Sales & Use Tax Resale Certificate (Regulations 1 & 23) • Printed Material Certificate

WITHHOLDING TAX

Form CT-941	Connecticut Quarterly Reconciliation of Withholding	Form CT-W4	Employee's Withholding Certificate
Form CT-941X	Amended Connecticut Reconciliation of Withholding	Form CT-W4P	Withholding Certificate for Pension or Annuity Payments
Form CT-W3	Connecticut Annual Reconciliation of Withholding	Form CT-W4NA	Employee's Withholding Certificate - Nonresident Apportionment

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MISSION STATEMENT

The Mission of the Department of Revenue Services is to instill public confidence in the integrity and fairness of tax collection;

achieve the highest level of voluntary taxpayer compliance;

continuously improve agency performance;

contribute to the fiscal and economic well-being of the state; and

provide a positive and professional workplace.

IP 2018(2), *Building Contractors' Guide to Sales and Use Taxes*

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		Tax Information	Forms and Publications						
Internet	Find important information for Individual and Business filers, and all of the latest DRS news including new legislation, policies and press releases on the DRS website at portal.ct.gov/DRS		View, download, and print all Connecticut forms and publications by visiting the DRS website at portal.ct.gov/DRS	Internet					
Email	Send routine tax questions to drs@po.state.ct.us Do not send account related inquiries.		Email requests, including your name, address (street, city, state, and ZIP code), and the name or number of the tax product to ctforms.drs@po.state.ct.us	Email					
Telephone	Call the DRS to speak directly with an agent about the filing of a return or account-related matters, at 800-382-9463 (Connecticut calls outside the Greater Hartford calling area only); or 860-297-5962 (from anywhere).		For forms and publications, call 800-382-9463 (Connecticut calls outside the Greater Hartford calling area only) and select Option 2 ; or 860-297-4753 (from anywhere).	Telephone					
Walk-In	<p>TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911. Taxpayers may also call 711 for relay services. A taxpayer must tell the 711 operator the number he or she wishes to call. The relay operator will dial it and then communicate using a TTY with the taxpayer.</p> <p>Free personal taxpayer assistance and forms are available by visiting our offices. Walk-in assistance at all DRS locations is available Monday through Friday, 8:30 a.m. to 4:30 p.m. (arrive by 4:00 p.m.). Directions to DRS offices are available using the DRS phone menu or by visiting the DRS website. If you require special accommodations, please advise the DRS representative. All calls are answered at our main office in Hartford, not at the field offices.</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Bridgeport 10 Middle St</td> <td style="text-align: center;">Hartford 450 Columbus Blvd</td> <td style="text-align: center;">Norwich 401 West Thames St Building 700</td> <td style="text-align: center;">Waterbury 55 West Main St Suite 100</td> </tr> </table>				Bridgeport 10 Middle St	Hartford 450 Columbus Blvd	Norwich 401 West Thames St Building 700	Waterbury 55 West Main St Suite 100	Walk-In
Bridgeport 10 Middle St	Hartford 450 Columbus Blvd	Norwich 401 West Thames St Building 700	Waterbury 55 West Main St Suite 100						
		Federal Tax Information For questions about federal taxes , visit www.irs.gov or call the Internal Revenue Service (IRS) at 800-829-1040. To order federal tax forms , call 800-829-3676.			Statewide Services Visit the <i>Official State of Connecticut Website</i> at portal.ct.gov for information on statewide services and programs.				