

Bill No. 5050

Page 1 of 3

Referred to Committee on

*Finance*

LCO No. 231

Introduced by Rep. Collins, 165th District

General Assembly,

January Session, A.D., 1971

AN ACT EXCLUDING THE SALES AND USE TAX ON THE FEDERAL  
MANUFACTURERS' EXCISE TAX.

Be it enacted by the Senate and House of Representatives in  
General Assembly convened:

Section 1. Subsection (8) of section 12-407 of the general  
statutes is repealed and the following is substituted in lieu  
thereof: "Sales price" means the total amount for which tangible  
personal property is sold or the total amount of rent received  
for occupancy, valued in money, whether paid in money or  
otherwise, without any deduction on account of any of the  
following: (a) The cost of the property sold; (b) the cost of  
materials used, labor or service cost, interest charged, losses  
or any other expenses; (c) the cost of transportation of the  
property prior to its purchase. The total amount for which the  
property is sold or the total amount of rent received for  
occupancy includes all of the following: (a) Any services that  
are a part of the sale; (b) any amount for which credit is given  
to the purchaser by the seller. "Sales price" does not include  
any of the following: (a) Cash discounts allowed and taken on  
sales; (b) the amount charged for property returned by customers  
upon rescission of the contract of sale when the entire amount  
charged therefor is refunded either in cash or credit, and when  
the property is returned within ninety days from the date of  
purchase; (c) the amount charged for labor or services rendered

in installing or applying the property sold; (d) the amount of  
any tax, not including any [manufacturers' or] importers' excise  
tax, imposed by the United States upon or with respect to retail  
sales whether imposed upon the retailer or the consumer; (e)  
transportation charges separately stated, if the transportation  
occurs after the purchase of the property is made. '

Sec. 2. Subsection (9) of said section is repealed and the  
following is substituted in lieu thereof: "Gross receipts" means  
the total amount of the sales price, of the retail sales of  
retailers, or the total amount of the rent received for  
occupancy, valued in money, whether received in money or  
otherwise, without any deduction on account of any of the  
following: (a) The cost of the property sold. However, in  
accordance with such regulations as the tax commissioner may  
prescribe, a deduction may be taken if the retailer has purchased  
property for some other purpose than resale, has reimbursed his  
vendor for tax which the vendor is required to pay to the state  
or has paid the use tax with respect to the property, and has  
resold the property prior to making any use of the property other  
than retention, demonstration or display while holding it for  
sale in the regular course of business. If such a deduction is  
taken by the retailer, no refund or credit will be allowed to his  
vendor with respect to the sale of the property; (b) the cost of  
the materials used, labor or service cost, interest paid, losses  
or any other expense; (c) the cost of transportation of the  
property prior to its sale to the purchaser. The total amount of  
the sales price includes all of the following: (a) Any services  
that are a part of the sale; (b) all receipts, cash, credits and  
property of any kind; (c) any amount for which credit is allowed  
by the seller to the purchaser. "Gross receipts" do not include  
any of the following: (a) Cash discounts allowed and taken on  
sales; (b) sales price of property returned by customers upon  
rescission of the contract of sale when the full sales price is

refunded either in cash or credit, and when the property is  
 returned within ninety days from the date of sale; (c) the price 73  
 received for labor or services used in installing or applying the 74  
 property sold; (d) the amount of any tax, not including any 75  
 [manufacturers' or] importers' excise tax, imposed by the United 76  
 States upon or with respect to retail sales whether imposed upon 77  
 the retailer or the consumer; (e) transportation charges 78  
 separately stated, if the transportation occurs after the sale of 79  
 the property is made to the purchaser.

Sec. 3. This act shall take effect July 1, 1971. 81

STATEMENT OF PURPOSE: To repeal the sales and use tax on the 84  
 federal manufacturers' excise tax. 85

[Proposed deletions are enclosed in brackets and proposed 87  
 additions are all capitalized, or underlined where appropriate.] 89