



# Sales and Use Tax Overview

[www.ct.gov/drs](http://www.ct.gov/drs) or  
[www.ct.gov/tsc](http://www.ct.gov/tsc)



## **Topics:**

Definitions

Sales & Use Tax Basics

Exemptions from Sales  
& Use Tax

Taxable Services

Sales Tax Return

Record Keeping

Reference Links

# Definitions

- **Tangible Personal Property (TPP)** – Goods that are movable
- **Real Property** – Buildings and land
- **Exempt sales** – Non-taxable goods and services (food)
- **Exempt Entities** – Companies/Agencies that do not pay taxes
- **The Return** – The Sales and Use Tax form that is filed for your business
- **Remit** – The amount of sales/use tax that is paid with the return
- **Trust Tax** – Sales tax is collected on behalf of the State
- **The Taxpayer Service Center (TSC)** – Secure electronic filing system

# Sales and Use Tax Basics – 6.35%

**SALES TAX**



Seller charges customer sales tax and remits directly to DRS.

**USE TAX**



Customer remits the sales tax directly to DRS. Seller did not charge tax.

# Sales & Use Tax Basics

## Goods

All goods (TPP) sold in CT are taxable unless there is a specific exemption.

## Services

Only those services deemed to be taxable, are taxable.

# Exempt Sales of Goods or Services



Exempt by  
State Statute

**No exemption certificate  
required**

- Child Car Seats
- Bulk Food Products
- Non-prescription medicines

Exempt with  
Certificate

**Requires properly completed  
exemption certificate**

- Resale Certificate
- Cert-119 – Exempt Agency
- Cert-134 – Gov't Entity

# Common Exempt Sales

Sales for  
Resale

Resale Cert

Federal, State  
& Municipal  
Agencies

Cert-134

Charitable &  
Religious  
Organizations  
Cert-119

Contractor's  
Purchase for  
Exempt Entity

Cert-141

Out of State  
Sales

Shipping records

See IP 2017(25) Sec. 4

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See Exemption Certificates

# Common Taxable Services

## Real Property

- Janitorial Services
- Landscaping Services
- Maintenance Services to Real Property
- Services to Existing Industrial, Commercial and Income Producing Real Property

## Tangible Personal Property

- Motor Vehicle Repairs, Storage, Towing and Washing
- Computer & Data Processing Services 1%
- Repair Services to Tangible Personal Property

## Personal Services

- Spa Services including Manicure/Pedicure
- Pet Grooming/Boarding/Obedience Services
- Cosmetic medical Procedures
- Health and Athletic Clubs

# Sales and Use Tax – Form OS-114

## Filing Status

New Businesses start as Monthly filers  
Monthly, Quarterly or Annual returns  
Filing frequency determined by DRS

## Due Date

One month from the end of the period  
[Master Calendar of Due Dates](#)  
**Return due even if no tax is due!**

## How

Monthly/quarterly Filers – On-line through TSC  
Annual Filers – On-line through TSC or paper mail in



TSC Video [Click here](#)

# Record Keeping

## Source Documents

- Cash Register Tapes
- POS Reports - Detail
- Sales Invoices
- Guest Checks
- Purchase Invoices
- Bank / Credit Card Statements
- Exemption Certificates

## Books of Record

- Daily Sales Summary
- POS Reports - Summary
- Sales Journal
- Cash Receipts Journal
- Check Register
- Purchase Journal
- General Ledger

Refer to Reg. [12-2-12](#) for record keeping requirements

# Time Requirement to Keep Records

## Required

- State law requires business records be maintained 3 years

## Recommended

- Certain circumstances may lead to audit review longer than 3 years, DRS recommends records be maintained 6 years

# When in Doubt, Don't Throw It Out!



Don't be like this lady – Get Organized!

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# Received mail from DRS?

- Please read entire notice first and follow any instructions
- Take any action
- May be a missed return / delinquency notice – please file your return
- May be an issue with a payment
- May be a filing frequency change



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# Additional Reference Links:

- [New Business Information Page](#)
- [IP 2017\(25\)](#), *Getting Started in Business*
- [IP 2006\(35\)](#), *Building Contractor's Guide*
- [Exemption Certificates](#)
- [Taxpayer Service Center](#) (TSC)
- [Sales Tax Topical Index](#)