



June 28, 2007

To: ICPA Heating Oil Dealers  
Fr: ICPA

**Re: Sales Tax Exemption for Home Weatherization Products**

Attached you will find a Special Notice, SN 2007 (4), from the Connecticut Department of Revenue Services concerning the **Sales Tax Exemption for Home Weatherization Products**. The sales tax exemption began on June, 1 2006 and has been extended permanently as stated in **House Bill 7432**. This legislation exempts sales tax on the sale of home weatherization products for residential use only.

The sales tax exemption applies to:

- **Oil furnaces that are not less than 84% efficient based on the AFUE rating;**
- **Boilers that are not less than 84% efficient based on the annual fuel utilization efficiency (AFUE) rating;**
- Water heaters;
- Propane furnaces that meet the federal Energy Star standard;
- Programmable thermostats;
- Insulation, for example water pipe insulation and heating duct insulation;
- Water heater blankets;
- Natural gas furnaces that meet the federal Energy Star standard;
- and
- Ground-source heat pumps that meet the minimum federal energy efficiency rating.

For other weatherization products please see the SN 2007 (4) attached.

The sales tax exception only applies to the items listed in the DRS notice. Any related parts not listed on SN 2007 (4) that would normally be taxed, remain taxable.

**To determine what specific furnaces and boilers are eligible for the tax exemption, please contact your supplier.**

If you have any questions feel free to contact DRS at 1-800-382-9463 or Chris Herb at ICPA toll free at 1-866-521-ICPA.



STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

SN 2007(4)

25 Sigourney Street  
Hartford CT 06106-5032

SPECIAL NOTICE

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## 2007 Legislation Affecting the Sales Tax on Home Weatherization Products

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**Purpose:** This Special Notice describes recently enacted legislation that extended permanently the exemption from sales and use taxes for residential weatherization products and reduced the qualifying efficiency rating for boilers and oil furnaces and changing terminology regarding heat pumps.

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**Effective Date:** Effective for sales occurring on or after June 1, 2007.

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**Statutory Authority:** Conn. Gen. Stat. § 12-412k, as amended by 2007 Conn. Pub. Acts \_\_, §69 (2007 House Bill No. 7432, as amended by House Amendment A (LCO No. 8629)).

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**Definition:** *Residential weatherization products* mean the following:

- Programmable thermostats;
- Window film;
- Caulking of a type marketed for preventing drafts, such as window and door caulking;
- Window and door weather strips, including door sweeps;
- Insulation, for example attic and wall insulation, spray foam insulation, water pipe insulation, heating duct insulation, and switch and outlet insulators;
- Water heater blankets;
- Water heaters;
- Boilers that are not less than 84% efficient based on the annual fuel utilization efficiency (AFUE) rating;
- Natural gas furnaces that meet the federal Energy Star standard;
- Propane furnaces that meet the federal Energy Star standard;

- Windows that meet the federal Energy Star standard (storm windows do not have an Energy Star standard and are not included in this exemption);
- Doors that meet the federal Energy Star standard (storm doors do not have an Energy Star standard and are not included in this exemption);
- Oil furnaces that are not less than 84% efficient based on the AFUE rating; **and**
- Ground-source heat pumps that meet the minimum federal energy efficiency rating.

The exemption applies only to the items listed above. To qualify as a residential weatherization product, the item must be designed and marketed for residential use and not for commercial use.

See **Special Notice 2005(13.2)**, *Sales Tax Holiday for Home Weatherization Products*, for the exemption effective for the period on and after November 25, 2005, through April 1, 2006, and see **Special Notice 2006(1.1)**, *Sales Tax Holiday for Home Weatherization Products*, for the exemption effective for the period on and after June 1, 2006, through May 31, 2007.

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**Exempt Sales of Residential Weatherization Products:** Sales and use taxes do not apply to sales of residential weatherization products. The exemption applies to sales made by Connecticut retailers, sales made by out-of-state retailers required to collect Connecticut use tax on sales to Connecticut customers, and purchases by Connecticut customers on which they would otherwise be required to self-assess use tax.

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**Building Contractors:** The exemption applies whether the purchaser of residential weatherization products is a property owner, a tenant, or a contractor, and whether the products are to be used in existing real property or new construction. This

exemption only covers the residential weatherization products; it does not exempt any taxable contractor labor. See **Informational Publication 2006(35)**, *Building Contractor's Guide to Sales and Use Taxes*.

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**Mail Order, Telephone, and Internet Sales:** Tax does not apply to the sale of a residential weatherization product sold by mail, telephone, or over the Internet on or after June 1, 2007.

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**Reporting Requirements:** Sales of residential weatherization products are reported on Line 1 of **Form OS-114**, *Sales and Use Tax Return*. The nontaxable sales of residential weatherization products are deducted on Line 82 of Form OS-114.

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**Effect on Other Documents:** None affected.

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### Related Publications

**Special Notice 2007(2)**, *2007 Legislation Granting a Connecticut Sales and Use Tax Exemption for Sales of Energy Star Rated Household Appliances*

**Special Notice 2007(3)**, *2007 Legislation Granting a Connecticut Sales and Use Tax Exemption for Sales of Compact Fluorescent Light Bulbs*

**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*

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**Effect of This Document:** A Special Notice announces a new policy or practice in response to changes in state or federal laws or regulations or to judicial decisions. A Special Notice indicates an informal interpretation of Connecticut tax law by the Department of Revenue Services (DRS).

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

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

**TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

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SN 2007(4)  
Sales and Use Taxes  
Energy Efficient Items; Construction Materials  
Issued: 06/22/2007

**Forms and Publications:** Forms and publications are available anytime by:

- **Internet:** Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) to download and print Connecticut tax forms; **or**
  - **Telephone:** Call **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only) and select **Option 2** from a touch-tone phone, or call **860-297-4753** (from anywhere).
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**Paperless Filing/Payment Methods (fast, easy, free, and confidential):**

- **For business returns:** Use *Fast-File* to file sales and use taxes, business use tax, room occupancy tax, estimated corporation business tax, business entity tax, attorney occupational tax, nursing home provider fee, admissions and dues tax, or withholding tax returns over the Internet. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*.
  - **For payment of business taxes other than those listed above:** Use *Fast-File* to pay your business taxes over the Internet or by phone. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *Electronic Services* for a list of eligible taxes. The ACH debit method is used to make the transfer. No preregistration is required.
  - **For resident income tax returns:** Use *WebFile* to file personal income tax returns over the Internet. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*.
  - **For electronic filing of income tax extensions, estimated payments, and for electronic bill payments:** Use *WebFile* to electronically file personal income tax returns over the Internet. You can also use *WebFile* to make an electronic income tax payment for a prior year. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*.
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