

Services Relating to Hazardous Waste and Other Contaminants of Air, Water or Soil

Services rendered in the voluntary 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, effective for sales occurring on and after July 1, 2011.

If a sample is taken from industrial, commercial or income-producing real property and sent to a lab for testing, is the lab required to charge tax on its services? **Yes, laboratory services to detect hazardous waste or other contaminants of air, water or soil performed to a sample taken from commercial, industrial or income-producing real property are taxable. Such services remain nontaxable when performed on samples from residential real property.**

Are environmental drilling services subject to Connecticut sales tax? **Yes, environmental drilling services are subject to Connecticut sales tax when performed to commercial, industrial or income-producing real property. Such services remain nontaxable when provided to residential real property.**

Are environmental consulting services subject to Connecticut sales tax? **No. Environmental consulting services remain excluded from sales tax pursuant to Conn. Gen. Stat. § 12-407(a)(37)(J).**

If a business provides consulting services, laboratory testing services and remediation services, how should it invoice its customers? **The business should separately state the taxable and non-taxable services on its invoices. The invoice should state the charges for evaluation, prevention, treatment, containment or removal services, and charge Connecticut sales tax on those charges for services performed to commercial, industrial or income-producing real property. Separately stated charges for environmental consulting services are not subject to tax.**

If a business hires a subcontractor to remove contamination from commercial, industrial or income-producing real property, should the subcontractor charge sales tax to the business, or should the business issue a resale certificate to the subcontractor? **The business is acting as a general contractor for the evaluation, prevention, treatment, containment or removal of hazardous waste or other contaminants of air, water or soil, and so should provide a resale certificate to the subcontractor and include those services in taxable services on the bill to the end customer.**

If a Connecticut client hires a business to do evaluation, prevention, treatment, containment or removal of hazardous waste or other contaminants of air, water or soil outside the state is it still not taxable? **Yes. Services rendered to real property that is located outside of Connecticut are not subject to Connecticut sales tax.**

If a non-Connecticut client hires a business to perform evaluation, prevention, treatment, containment or removal of hazardous waste or other contaminants of air, water or soil in Connecticut is it taxable? **Yes. If evaluation, prevention, treatment, containment or removal of hazardous waste or other contaminants of air, water or soil is done to commercial, industrial or income-producing real property located in Connecticut the services are subject to Connecticut sales tax.**