

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

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## **TAX - CONNECTICUT**

### **Town of Groton v. Commissioner of Revenue Services**

**Supreme Court of Connecticut - June 30, 2015 - A.3d - 2015 WL 3853561**

Municipality sought judicial review of sales tax assessment issued by commissioner of revenue services on fees that municipality charged for refuse removal services. The Superior Court concluded that municipality had failed to establish that the assessment was incorrect and dismissed the appeal. Municipality appealed and case was transferred.

The Supreme Court of Connecticut held that fees that municipality charged to commercial, industrial, and income producing end users on a revenue-neutral basis did not constitute a sale for “consideration” subject to sales tax.

Refuse removal fees that municipality charged to commercial, industrial, and income producing end users on a revenue-neutral basis did not constitute a sale for “consideration” subject to sales tax, where the fees were a mere pass-through arrangement on which the municipality did not turn a profit in carrying out the statutorily authorized, governmental function of garbage collection via a municipal or regional authority, as distinguished from acting in a proprietary capacity for purposes of corporate benefit or profit for the municipality.