



FOR IMMEDIATE RELEASE

New State Tax and New Hourly Fee on parking begins Feb. 1, 2020 in West Hartford

WEST HARTFORD, CT (January 31, 2020) – On January 1, 2020, new State legislation went into effect that requires the addition of a 6.35% sales tax on parking services, including self-service metered parking facilities. This sales tax will be collected by the Town and remitted to the State; the Town will not receive a share of the tax proceeds.

In addition, on January 28, 2020, the Town Council passed a resolution raising the hourly rate from \$1.50 per hour to \$1.75 to help recoup bank fees from credit card transactions. The Town will offer a discounted rate of \$1.60 per hour when the parking transaction is paid with coins. Both rates include the new State of Connecticut sales tax.

The new rates will commence February 1, 2020 in West Hartford.

Up to now, the Town has absorbed merchant service fees. It has refrained from increasing parking rates to adjust for the rising cost of doing business, as credit cards have become the preferred method of payment by consumers. Each time a consumer pays with a credit card, the Town is forced to pay the bank fees. This practice negatively impacts the Town's Parking Fund, which is designed to cover all operating costs related to parking.

Bank fees are escalating; in FY2019 the Municipal Parking Division paid \$298,000 in bank fees and staff expects those fees to increase in FY2020 as more consumers pay with credit cards.

"Bank fees comprise the highest annual expense payable to a single vendor," said Brooke Nelson, Municipal Parking Operations Manager.

(more)



There are options when it comes to paying for parking in the Center Business District, which includes West Hartford Center and Blue Back Square.

"When paying with coins, consumers have the flexibility of choosing a minimum of 15 minutes for on-street for 40-cents and a 30-minute minimum in the municipal lots and garages for 80-cents," Ms. Nelson said. "Consumers can buy parking time in increments of 15-minute intervals up to two hours for on-street parking," she continued.

West Hartford's kiosks accept coin dollars, quarters, nickels and dimes at all of its locations: garages, municipal lots, and on-street parking in the Center Business District.

Anyone using a credit card to pay for parking at a kiosk will pay \$1.75 per hour. An one-hour minimum applies to credit card transactions at the kiosk and with the app.

Anyone who uses the PassportParking app will pay \$2.00 per hour, which consists of \$1.75 base hourly rate, plus a 25-cent app fee per parking session.

Monthly permit holders will now pay \$110.00 base rate plus \$6.99 sales tax.

Information will be posted on the kiosks explaining the new rates.

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