



General Assembly

February Session, 2002

Raised Bill No. 495

LCO No. 2105

Referred to Committee on Environment

Introduced by:
(ENV)

AN ACT CONCERNING THE TAX ON LOW SULFUR FUEL.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-81 of the general statutes, as amended by
2 sections 156 and 157 of public act 01-132 and sections 17 and 83 of
3 public act 01-6 of the June special session, is amended by adding
4 subdivision (76) as follows (*Effective October 1, 2002*):

5 (NEW) (76) Gaseous fuels that possess a fuel sulfur limit of equal to
6 or less than 0.3 per cent sulfur, by weight (dry basis) and diesel fuel
7 with a sulfur content of .15 parts per million or less.

8 Sec. 2. Subsection (b) of Section 12-587 of the general statutes, as
9 amended by sections 20 and 67 of public act 01-6 of the June special
10 session, is repealed and the following is substituted in lieu thereof
11 (*Effective October 1, 2002*):

12 (b) (1) Except as otherwise provided in subdivision (2) of this
13 subsection, any company which is engaged in the refining or
14 distribution, or both, of petroleum products and which distributes
15 such products in this state shall pay a quarterly tax on its gross

16 earnings derived from the first sale of petroleum products within this
17 state. Each company shall on or before the last day of the month next
18 succeeding each quarterly period render to the commissioner a return
19 on forms prescribed or furnished by the commissioner and signed by
20 the person performing the duties of treasurer or an authorized agent or
21 officer, including the amount of gross earnings derived from the first
22 sale of petroleum products within this state for the quarterly period
23 and such other facts as the commissioner may require for the purpose
24 of making any computation required by this chapter. Except as
25 otherwise provided in subdivision (3) of this subsection, the rate of tax
26 shall be five per cent.

27 (2) Gross earnings derived from the first sale of the following
28 petroleum products within this state shall be exempt from tax: (A) Any
29 petroleum products sold for exportation from this state for sale or use
30 outside this state; (B) the product designated by the American Society
31 for Testing and Materials as "Specification for Heating Oil D396-69",
32 commonly known as number 2 heating oil, to be used exclusively for
33 heating purposes or to be used in a commercial fishing vessel, which
34 vessel qualifies for an exemption pursuant to section 12-412, as
35 amended; (C) kerosene, commonly known as number 1 oil, to be used
36 exclusively for heating purposes, provided delivery is of both number
37 1 and number 2 oil, and via a truck with a metered delivery ticket to a
38 residential dwelling or to a centrally metered system serving a group
39 of residential dwellings; (D) the product identified as propane gas, to
40 be used exclusively for heating purposes; (E) bunker fuel oil,
41 intermediate fuel, marine diesel oil and marine gas oil to be used in
42 any vessel having a displacement exceeding four thousand dead
43 weight tons; (F) for any first sale occurring prior to January 1, 2000, or
44 during the period commencing July 1, 2001, and ending June 30, 2002,
45 propane gas to be used as a fuel for a motor vehicle; (G) for any first
46 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as
47 defined in regulations adopted pursuant to section 16a-22c, to be used
48 exclusively by a company which, in accordance with census data
49 contained in the Standard Industrial Classification Manual, United

50 States Office of Management and Budget, 1987 edition, is included in
51 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in
52 the North American Industrial Classification System United States
53 Manual, United States Office of Management and Budget, 1997 edition;
54 (H) for any first sale occurring on or after July 1, 2002, number 2
55 heating oil to be used exclusively in a vessel primarily engaged in
56 interstate commerce, which vessel qualifies for an exemption under
57 section 12-412, as amended; [or] (I) for any first sale occurring on or
58 after July 1, 2000, paraffin or microcrystalline waxes; or (J) gaseous
59 fuels that possess a fuel sulfur limit of equal to or less than 0.3 per cent,
60 by weight (dry basis) or diesel fuel with a sulfur content of .15 parts
61 per million or less.

62 (3) The rate of tax on gross earnings derived from the first sale of
63 grade number 6 fuel oil, as defined in regulations adopted pursuant to
64 section 16a-22c, to be used exclusively by a company which, in
65 accordance with census data contained in the Standard Industrial
66 Classification Manual, United States Office of Management and
67 Budget, 1987 edition, is included in code classifications 2000 to 3999,
68 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
69 Classification System United States Manual, United States Office of
70 Management and Budget, 1997 edition, or number 2 heating oil used
71 exclusively in a vessel primarily engaged in interstate commerce,
72 which vessel qualifies for an exemption under section 12-412, as
73 amended, shall be: (A) Four per cent with respect to calendar quarters
74 commencing on or after July 1, 1998, and prior to July 1, 1999; (B) three
75 per cent with respect to calendar quarters commencing on or after July
76 1, 1999, and prior to July 1, 2000; (C) two per cent with respect to
77 calendar quarters commencing on or after July 1, 2000, and prior to
78 July 1, 2001; and (D) one per cent with respect to calendar quarters
79 commencing on or after July 1, 2001, and prior to July 1, 2002.

This act shall take effect as follows:	
Section 1	October 1, 2002

Sec. 2	October 1, 2002
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Statement of Purpose:

To provide incentives for the purchase and use of low sulfur fuel by power plants within the state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]