



General Assembly

**Substitute Bill No. 376**

February Session, 2004

\* SB00376FIN\_\_040704\_\_ \*

**AN ACT CONCERNING COGENERATION FACILITIES AND THE  
MANUFACTURER'S EXEMPTION FROM THE GROSS EARNINGS TAX  
ON SALES OF NATURAL GAS.**

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

1 Section 1. Subsection (c) of section 12-265 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (c) (1) The rate of tax on the sale, furnishing or distribution of  
5 electricity or natural gas for use directly by a company engaged in a  
6 manufacturing production process, in accordance with the Standard  
7 Industrial Classification Manual, United States Office of Management  
8 and Budget, 1987 edition, classifications 2000 to 3999, inclusive, or  
9 Sector 31, 32 or 33 in the North American Industrial Classification  
10 System United States Manual, United States Office of Management and  
11 Budget, 1997 edition, shall be four per cent with respect to calendar  
12 quarters commencing on or after January 1, 1994, and prior to January  
13 1, 1995, three per cent with respect to calendar quarters commencing  
14 on or after January 1, 1995, and prior to January 1, 1996, and two per  
15 cent with respect to calendar quarters commencing on or after January  
16 1, 1996, and prior to January 1, 1997. The sale, furnishing or  
17 distribution of electricity or natural gas for use by a company as  
18 provided in this subsection shall not be subject to the provisions of this  
19 chapter with respect to calendar quarters commencing on or after

20 January 1, 1997. Not later than thirty days after May 19, 1993, and  
21 thirty days after the effective date of each rate decrease provided for in  
22 this section, each electric and gas public service company, as defined in  
23 section 16-1, as amended, which does not have a proposed rate  
24 amendment under section 16-19 pending before the Department of  
25 Public Utility Control at such time, shall request the department to  
26 reopen the proceeding under section 16-19 on the company's most  
27 recent rate amendment, solely for the purpose of decreasing the  
28 company's rates to reflect the decreases required under this section.  
29 The department shall immediately reopen such proceedings, solely for  
30 such purpose.

31 (2) For purposes of this subsection, natural gas consumed as fuel in  
32 the operation of a cogeneration facility providing electricity or steam to  
33 a company engaged in a process described in subdivision (1) of this  
34 subsection is deemed to be used directly and solely by such company  
35 where such cogeneration facility is located entirely on the premises  
36 owned or controlled by such company, regardless of whether the  
37 cogeneration facility is owned or operated by the company or a third  
38 party.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

**ET**            *Joint Favorable Subst.*

**FIN**          *Joint Favorable*