



General Assembly

February Session, 2004

Amendment

LCO No. 3574

SB0021803574SD0

Offered by:

SEN. WILLIAMS, 29th Dist.

To: Subst. Senate Bill No. 218

File No. 548

Cal. No. 406

"AN ACT CONCERNING CLEAN AND ALTERNATIVE FUEL VEHICLES."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subdivision (2) of subsection (b) of section 12-587 of the
4 general statutes is repealed and the following is substituted in lieu
5 thereof (*Effective July 1, 2004*):

6 (2) Gross earnings derived from the first sale of the following
7 petroleum products within this state shall be exempt from tax: (A) Any
8 petroleum products sold for exportation from this state for sale or use
9 outside this state; (B) the product designated by the American Society
10 for Testing and Materials as "Specification for Heating Oil D396-69",
11 commonly known as number 2 heating oil, to be used exclusively for
12 heating purposes or to be used in a commercial fishing vessel, which
13 vessel qualifies for an exemption pursuant to section 12-412, as
14 amended; (C) kerosene, commonly known as number 1 oil, to be used
15 exclusively for heating purposes, provided delivery is of both number

16 1 and number 2 oil, and via a truck with a metered delivery ticket to a
17 residential dwelling or to a centrally metered system serving a group
18 of residential dwellings; (D) the product identified as propane gas, to
19 be used exclusively for heating purposes; (E) bunker fuel oil,
20 intermediate fuel, marine diesel oil and marine gas oil to be used in
21 any vessel having a displacement exceeding four thousand dead
22 weight tons; (F) for any first sale occurring prior to July 1, [2004] 2008,
23 propane gas to be used as a fuel for a motor vehicle; (G) for any first
24 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as
25 defined in regulations adopted pursuant to section 16a-22c, to be used
26 exclusively by a company which, in accordance with census data
27 contained in the Standard Industrial Classification Manual, United
28 States Office of Management and Budget, 1987 edition, is included in
29 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in
30 the North American Industrial Classification System United States
31 Manual, United States Office of Management and Budget, 1997 edition;
32 (H) for any first sale occurring on or after July 1, 2002, number 2
33 heating oil to be used exclusively in a vessel primarily engaged in
34 interstate commerce, which vessel qualifies for an exemption under
35 section 12-412, as amended; (I) for any first sale occurring on or after
36 July 1, 2000, paraffin or microcrystalline waxes; or (J) for any first sale
37 occurring [on or after July 1, 2002, and] prior to July 1, [2004] 2008,
38 petroleum products to be used as a fuel for a fuel cell, as defined in
39 subdivision (113) of section 12-412, as amended.

40 Sec. 502. Subsection (a) of section 12-264 of the general statutes is
41 repealed and the following is substituted in lieu thereof (*Effective July*
42 *1, 2004*):

43 (a) Each (1) Connecticut municipality or department or agency
44 thereof, or Connecticut district, manufacturing, selling or distributing
45 gas or electricity to be used for light, heat or power, in this chapter and
46 in chapter 212a called a "municipal utility", (2) company the principal
47 business of which is manufacturing, selling or distributing gas or
48 steam to be used for light, heat or power, including each foreign
49 municipal electric utility, as defined in section 12-59, and given

50 authority to engage in business in this state pursuant to the provisions
51 of section 16-246c, and (3) company required to register pursuant to
52 section 16-258a, as amended, shall pay a quarterly tax upon gross
53 earnings from such operations in this state. Gross earnings from such
54 operations under subdivisions (1) and (2) of this subsection shall
55 include (A) all income classified as operating revenues by the
56 Department of Public Utility Control in the uniform systems of
57 accounts prescribed by said department for operations within the
58 taxable quarter and, with respect to each such company, (B) all income
59 classified in said uniform systems of accounts as income from
60 merchandising, jobbing and contract work, (C) income from nonutility
61 operations, (D) revenues from lease of physical property not devoted
62 to utility operation, and (E) receipts from the sale of residuals and
63 other by-products obtained in connection with the production of gas,
64 electricity or steam. Gross earnings from such operations under
65 subdivision (3) of this subsection shall be gross income from the sales
66 of natural gas. Gross earnings of a gas company, as defined in section
67 16-1, as amended, shall not include income earned in a taxable quarter
68 commencing prior to June 30, [2004] 2008, from the sale of natural gas
69 or propane as a fuel for a motor vehicle. No deductions shall be
70 allowed from such gross earnings for any commission, rebate or other
71 payment, except a refund resulting from an error or overcharge and
72 those specifically mentioned in section 12-265. Gross earnings of a
73 company as described in subdivision (2) of this subsection shall not
74 include income earned in any taxable quarter commencing on or after
75 July 1, 2000, from the sale of steam.

76 Sec. 503. Section 12-217i of the general statutes is repealed and the
77 following is substituted in lieu thereof (*Effective July 1, 2004, and*
78 *applicable to income years commencing on or after January 1, 2004*):

79 (a) There shall be allowed a credit for any taxpayer against the tax
80 imposed by this chapter, chapter 209, 210, 211 or 212 in any income
81 year or calendar quarter, as the case may be, commencing prior to
82 January 1, [2004] 2008, in an amount equal to ten per cent of the
83 amount of expenditures paid or incurred during such income year or

84 such quarter, as the case may be, for the incremental cost of purchasing
85 a vehicle which is exclusively powered by a clean alternative fuel.

86 (b) There shall be allowed a credit for any taxpayer against the tax
87 imposed by this chapter in any income year commencing on or after
88 January 1, 1994, and prior to January 1, [2004] 2008, in an amount equal
89 to fifty per cent of the amount of expenditures, other than those
90 described in subsection (a) of this section, paid or incurred during such
91 income year directly for (1) the construction of any filling station or
92 improvements to any existing filling station in order to provide
93 compressed natural gas, liquefied petroleum gas or liquefied natural
94 gas; (2) the purchase and installation of conversion equipment
95 incorporated into or used in converting vehicles powered by any other
96 fuel to either exclusive use of clean alternative fuel or dual use of such
97 other fuel and a clean alternative fuel, including, but not limited to,
98 storage cylinders, cylinder brackets, regulated mixers, fill valves,
99 pressure regulators, solenoid valves, fuel gauges, electronic ignitions
100 and alternative fuel delivery lines, if such converted vehicles, after
101 conversion, meet generally accepted standards, including, but not
102 limited to, the standards set by the American Gas Association, the
103 National Fire Protection Association, the American National Standards
104 Institute, the American Society of Testing Materials or the American
105 Society of Mechanical Engineers; or (3) the purchase and installation of
106 equipment incorporated into or used in a compressed natural gas,
107 liquefied petroleum gas or liquefied natural gas filling or electric
108 recharging station for vehicles powered by a clean alternative fuel,
109 including, but not limited to, compressors, storage cylinders,
110 associated framing, tubing and fittings, valves and fuel poles and fuel
111 delivery lines.

112 (c) If the amount of any credit provided in this section exceeds the
113 amount of tax otherwise payable in the income year or calendar
114 quarter, as the case may be, in which such expenditure was paid or
115 incurred, the balance of any such credit remaining may be taken in any
116 of the three succeeding income years or twelve succeeding calendar
117 quarters, respectively. Any taxpayer allowed such a tax credit against

118 the tax imposed under this chapter, chapter 209, 210, 211 or 212 shall
119 not be allowed such credit under more than one of said chapters. As
120 used in this section "clean alternative fuel" shall mean compressed
121 natural gas, liquefied petroleum gas, liquefied natural gas or electricity
122 when used as a motor vehicle fuel and "incremental cost" shall mean
123 the difference between the purchase price of a vehicle which is
124 exclusively powered by a clean alternative fuel and the manufacturer's
125 suggested retail price of a comparably equipped vehicle which is not
126 so powered.

127 Sec. 504. Section 12-458f of the general statutes is repealed and the
128 following is substituted in lieu thereof (*Effective July 1, 2004*):

129 On and after July 1, 1994, and until July 1, [2004] 2008, compressed
130 natural gas, liquefied petroleum gas and liquefied natural gas shall not
131 be subject to the tax imposed under section 12-458."