



General Assembly

February Session, 2006

Amendment

LCO No. 4379

SB0057204379SR0

Offered by:
SEN. KISSEL, 7th Dist.

To: Senate Bill No. 572

File No. 165

Cal. No. 145

"AN ACT CONCERNING E-85 INCENTIVES."

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

3 "Sec. 501. Subsections (b) and (c) of section 12-587 of the 2006
4 supplement to the general statutes are repealed and the following is
5 substituted in lieu thereof (*Effective July 1, 2006*):

6 (b) (1) Except as otherwise provided in subdivision (2) of this
7 subsection, any company which is engaged in the refining or
8 distribution, or both, of petroleum products and which distributes
9 such products in this state shall pay a quarterly tax on its gross
10 earnings derived from the first sale of petroleum products within this
11 state. Each company shall on or before the last day of the month next
12 succeeding each quarterly period render to the commissioner a return
13 on forms prescribed or furnished by the commissioner and signed by
14 the person performing the duties of treasurer or an authorized agent or
15 officer, including the amount of gross earnings derived from the first

16 sale of petroleum products within this state for the quarterly period
17 and such other facts as the commissioner may require for the purpose
18 of making any computation required by this chapter. Except as
19 otherwise provided in subdivision (3) of this subsection, the rate of tax
20 shall be (A) five per cent with respect to calendar quarters prior to July
21 1, 2005; (B) five and eight-tenths per cent with respect to calendar
22 quarters commencing on or after July 1, 2005, and prior to July 1, [2006]
23 2007; (C) six and three-tenths per cent with respect to calendar quarters
24 commencing on or after July 1, [2006] 2007, and prior to July 1, [2007]
25 2008; (D) [seven] six and eight-tenths per cent with respect to calendar
26 quarters commencing on or after July 1, [2007] 2008, and prior to July 1,
27 [2008] 2013; and (E) seven and [one-half] three-tenths per cent with
28 respect to calendar quarters commencing on or after July 1, [2008] 2013.
29 [, and prior to July 1, 2013; and (F) eight and one-tenth per cent with
30 respect to calendar quarters commencing on or after July 1, 2013.]

31 (2) Gross earnings derived from the first sale of the following
32 petroleum products within this state shall be exempt from tax: (A) Any
33 petroleum products sold for exportation from this state for sale or use
34 outside this state; (B) the product designated by the American Society
35 for Testing and Materials as "Specification for Heating Oil D396-69",
36 commonly known as number 2 heating oil, to be used exclusively for
37 heating purposes or to be used in a commercial fishing vessel, which
38 vessel qualifies for an exemption pursuant to section 12-412, as
39 amended; (C) kerosene, commonly known as number 1 oil, to be used
40 exclusively for heating purposes, provided delivery is of both number
41 1 and number 2 oil, and via a truck with a metered delivery ticket to a
42 residential dwelling or to a centrally metered system serving a group
43 of residential dwellings; (D) the product identified as propane gas, to
44 be used exclusively for heating purposes; (E) bunker fuel oil,
45 intermediate fuel, marine diesel oil and marine gas oil to be used in
46 any vessel having a displacement exceeding four thousand dead
47 weight tons; (F) for any first sale occurring prior to July 1, 2008,
48 propane gas to be used as a fuel for a motor vehicle; (G) for any first
49 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as

50 defined in regulations adopted pursuant to section 16a-22c, to be used
51 exclusively by a company which, in accordance with census data
52 contained in the Standard Industrial Classification Manual, United
53 States Office of Management and Budget, 1987 edition, is included in
54 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in
55 the North American Industrial Classification System United States
56 Manual, United States Office of Management and Budget, 1997 edition;
57 (H) for any first sale occurring on or after July 1, 2002, number 2
58 heating oil to be used exclusively in a vessel primarily engaged in
59 interstate commerce, which vessel qualifies for an exemption under
60 section 12-412, as amended; (I) for any first sale occurring on or after
61 July 1, 2000, paraffin or microcrystalline waxes; or (J) for any first sale
62 occurring prior to July 1, 2008, petroleum products to be used as a fuel
63 for a fuel cell, as defined in subdivision (113) of section 12-412, as
64 amended.

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

83 (c) (1) Any company which imports or causes to be imported into

84 this state petroleum products for sale, use or consumption in this state,
85 other than a company subject to and having paid the tax on such
86 company's gross earnings from first sales of petroleum products
87 within this state, which earnings include gross earnings attributable to
88 such imported or caused to be imported petroleum products, in
89 accordance with subsection (b) of this section, shall pay a quarterly tax
90 on the consideration given or contracted to be given for such
91 petroleum product if the consideration given or contracted to be given
92 for all such deliveries during the quarterly period for which such tax is
93 to be paid exceeds three thousand dollars. Except as otherwise
94 provided in subdivision (3) of this subsection, the rate of tax shall be
95 (A) five per cent with respect to calendar quarters commencing prior to
96 July 1, 2005; (B) five and eight-tenths per cent with respect to calendar
97 quarters commencing on or after July 1, 2005, and prior to July 1, [2006]
98 2007; (C) six and three-tenths per cent with respect to calendar quarters
99 commencing on or after July 1, [2006] 2007, and prior to July 1, [2007]
100 2008; (D) [seven] six and eight-tenths per cent with respect to calendar
101 quarters commencing on or after July 1, [2007] 2008, and prior to July 1,
102 [2008] 2013; and (E) seven and [one-half] three-tenths per cent with
103 respect to calendar quarters commencing on or after July 1, [2008] 2013.
104 [, and prior to July 1, 2013; and (F) eight and one-tenth per cent with
105 respect to calendar quarters commencing on or after July 1, 2013.] Fuel
106 in the fuel supply tanks of a motor vehicle, which fuel tanks are
107 directly connected to the engine, shall not be considered a delivery for
108 the purposes of this subsection.

109 (2) Consideration given or contracted to be given for petroleum
110 products, gross earnings from the first sale of which are exempt from
111 tax under subdivision (2) of subsection (b) of this section, shall be
112 exempt from tax.

113 (3) The rate of tax on consideration given or contracted to be given
114 for grade number 6 fuel oil, as defined in regulations adopted
115 pursuant to section 16a-22c, to be used exclusively by a company
116 which, in accordance with census data contained in the Standard
117 Industrial Classification Manual, United States Office of Management

118 and Budget, 1987 edition, is included in code classifications 2000 to
119 3999, inclusive, or in Sector 31, 32 or 33 in the North American
120 Industrial Classification System United States Manual, United States
121 Office of Management and Budget, 1997 edition, or number 2 heating
122 oil used exclusively in a vessel primarily engaged in interstate
123 commerce, which vessel qualifies for an exemption under section 12-
124 412, as amended, shall be: (A) Four per cent with respect to calendar
125 quarters commencing on or after July 1, 1998, and prior to July 1, 1999;
126 (B) three per cent with respect to calendar quarters commencing on or
127 after July 1, 1999, and prior to July 1, 2000; (C) two per cent with
128 respect to calendar quarters commencing on or after July 1, 2000, and
129 prior to July 1, 2001; and (D) one per cent with respect to calendar
130 quarters commencing on or after July 1, 2001, and prior to July 1, 2002."