



General Assembly

February Session, 2006

**Amendment**

LCO No. 4479

**\*HB0526404479HDO\***

Offered by:

REP. NARDELLO, 89 <sup>th</sup> Dist.	REP. MCCRORY, 7 <sup>th</sup> Dist.
REP. ABERCROMBIE, 83 <sup>rd</sup> Dist.	REP. MCMAHON, 15 <sup>th</sup> Dist.
REP. ALDARONDO, 75 <sup>th</sup> Dist.	REP. MEGNA, 97 <sup>th</sup> Dist.
REP. ARESIMOWICZ, 30 <sup>th</sup> Dist.	REP. MERRILL, 54 <sup>th</sup> Dist.
REP. BEAMON, 72 <sup>nd</sup> Dist.	REP. MIKUTEL, 45 <sup>th</sup> Dist.
REP. BOUKUS, 22 <sup>nd</sup> Dist.	REP. MIOLI, 136 <sup>th</sup> Dist.
REP. CARDIN, 53 <sup>rd</sup> Dist.	REP. MUSHINSKY, 85 <sup>th</sup> Dist.
REP. CARUSO, 126 <sup>th</sup> Dist.	REP. NAFIS, 27 <sup>th</sup> Dist.
REP. DAVIS, 117 <sup>th</sup> Dist.	REP. O'BRIEN, 24 <sup>th</sup> Dist.
REP. DILLON, 92 <sup>nd</sup> Dist.	REP. OLSON, 46 <sup>th</sup> Dist.
REP. ESPOSITO, 116 <sup>th</sup> Dist.	REP. ORANGE, 48 <sup>th</sup> Dist.
REP. FELTMAN, 6 <sup>th</sup> Dist.	REP. O'ROURKE, 32 <sup>nd</sup> Dist.
REP. FLEISCHMANN, 18 <sup>th</sup> Dist.	REP. PAWELKIEWICZ, 49 <sup>th</sup> Dist.
REP. FOX, 146 <sup>th</sup> Dist.	REP. REINOSO, 130 <sup>th</sup> Dist.
REP. GENGA, 10 <sup>th</sup> Dist.	REP. ROY, 119 <sup>th</sup> Dist.
REP. GENTILE, 104 <sup>th</sup> Dist.	REP. RYAN, 139 <sup>th</sup> Dist.
REP. GERAGOSIAN, 25 <sup>th</sup> Dist.	REP. SERRA, 33 <sup>rd</sup> Dist.
REP. GONZALEZ, 3 <sup>rd</sup> Dist.	REP. SHARKEY, 88 <sup>th</sup> Dist.
REP. GRAZIANI, 57 <sup>th</sup> Dist.	REP. SPALLONE, 36 <sup>th</sup> Dist.
REP. GREEN, 1 <sup>st</sup> Dist.	REP. TALLARITA, 58 <sup>th</sup> Dist.
REP. HAMM, 34 <sup>th</sup> Dist.	REP. TERCYAK, 26 <sup>th</sup> Dist.
REP. HEINRICH, 101 <sup>st</sup> Dist.	REP. THOMPSON, 13 <sup>th</sup> Dist.
REP. HENNESSY, 127 <sup>th</sup> Dist.	REP. TRUGLIA, 145 <sup>th</sup> Dist.
REP. HEWETT, 39 <sup>th</sup> Dist.	REP. URBAN, 43 <sup>rd</sup> Dist.
REP. JANOWSKI, 56 <sup>th</sup> Dist.	REP. VILLANO, 91 <sup>st</sup> Dist.
REP. JOHNSTON, 51 <sup>st</sup> Dist.	REP. WALKER, 93 <sup>rd</sup> Dist.
REP. KEELEY, 129 <sup>th</sup> Dist.	REP. WALLACE, 109 <sup>th</sup> Dist.
REP. KIRKLEY-BEY, 5 <sup>th</sup> Dist.	REP. WIDLITZ, 98 <sup>th</sup> Dist.

REP. LAWLOR, 99<sup>th</sup> Dist.  
REP. LEWIS, 8<sup>th</sup> Dist.  
REP. MARTINEZ, 128<sup>th</sup> Dist.  
REP. MCCLUSKEY, 20<sup>th</sup> Dist.

REP. WILBER, 63<sup>rd</sup> Dist.  
REP. WILLIS, 64<sup>th</sup> Dist.  
REP. ZALASKI, 81<sup>st</sup> Dist.

To: Subst. House Bill No. 5264

File No. 45

Cal. No. 70

**"AN ACT CONCERNING TECHNICAL REVISIONS TO UTILITY PROVISIONS OF THE GENERAL STATUTES."**

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

3 "Sec. 501. (NEW) (*Effective from passage and applicable to profits*  
4 *generated on or after January 1, 2006*) (a) Each company that owns an  
5 electric generating plant located in the state, including any affiliates or  
6 subsidiaries of such company, whether those affiliates or subsidiaries  
7 are located within the state or outside the state, shall pay a quarterly  
8 tax of fifty per cent upon windfall profits, as described in subsections  
9 (b) and (c) of this section, from the generation, manufacture, sale or  
10 other disposition of electricity or rights to electricity generated or  
11 manufactured at such electric generating plant located in the state.

12 (b) Windfall profits from the generation, manufacture, sale or other  
13 disposition of electricity or rights to electricity shall include all  
14 earnings in excess of twenty per cent return on equity, as classified by  
15 the Federal Energy Regulatory Commission according to the uniform  
16 systems of accounts prescribed in 18 CFR Part 101, accounted for as if  
17 the company owning an electric generating plant located in the state  
18 and any of its affiliates or subsidiaries maintained their books and  
19 records according to such uniform system of accounts, for operations  
20 within the taxable quarter.

21 (c) (1) With respect to each company that owns an electric

22 generating plant located in the state, in calculating earnings for the  
23 purpose of the windfall profits tax, those earnings shall include all  
24 revenue derived by such company and any affiliate or subsidiary of  
25 such company owning an electric generating plant located in the state,  
26 whether the affiliate or subsidiary is located within or outside of the  
27 state, from the sale or other disposition of electricity or rights to  
28 electricity from the electric generating plant located in the state to any  
29 buyer in any state by such affiliate or subsidiary of such company  
30 owning a generating plant located in the state.

31 (2) Revenue derived from the sale or other disposition of electricity  
32 or rights to electricity from a generating plant located in the state by  
33 any affiliate or subsidiary of a company that owns such electric  
34 generating plant, whether or not such affiliate or subsidiary is located  
35 in the state, shall be attributed to the revenue of the company that  
36 owns the electric generating plant located in the state as if the sale or  
37 other disposition of electricity or rights to electricity by such affiliate or  
38 subsidiary were made directly by the company that owns the electric  
39 generating plant located in the state.

40 (3) In calculating earnings subject to the windfall profits tax,  
41 revenue from such company and such affiliates or subsidiaries  
42 attributed to an electric generating plant located in the state shall be  
43 reduced by the reasonable operating expenses of such company and  
44 affiliate or subsidiary properly allocated to the sale or other disposition  
45 of electricity or rights to electricity which is generated or manufactured  
46 by the electric generating plant located in the state and is to be  
47 determined as if the affiliate or subsidiary were subject to the uniform  
48 system of accounts prescribed by the Federal Energy Regulatory  
49 Commission in 18 CFR Part 101 for regulated entities.

50 (d) (1) Each company that owns an electric generating plant located  
51 in the state shall, on or before the last day of January, April, July and  
52 October of each year, render to the Commissioner of Revenue Services  
53 a return on forms prescribed or furnished by the commissioner and  
54 signed by its treasurer or the person performing the duties of

55 treasurer, or by an authorized agent or officer, specifying (A) the name  
56 and location of such company or affiliate or subsidiary of such  
57 company, (B) the amount of all revenue derived from the generation,  
58 manufacture, sale or other disposition of electricity or the rights to  
59 electricity from the electric generating plant located in the state, by  
60 such company or any of its affiliates or subsidiaries and the amount of  
61 reasonable operating expenses for the quarter ending with the last day  
62 of the preceding month, (C) the return on equity from the generation,  
63 manufacture, sale or other disposition of electricity or rights to  
64 electricity, (D) the earnings in excess of a twenty per cent return on  
65 equity from the generation, manufacture or sale of electricity or the  
66 rights to electricity, and (E) the tax due to the state on the windfall  
67 profits.

68 (e) Each such company shall pay a quarterly tax upon its windfall  
69 profits in each calendar quarter at the rate of fifty per cent.

70 (f) The tax imposed by this chapter is due and payable to the  
71 Commissioner of Revenue Services quarterly on or before the last day  
72 of the month next succeeding each calendar quarter.

73 Sec. 502. (NEW) (*Effective from passage*) (a) There is established an  
74 account to be known as the "electricity ratepayers relief account" which  
75 shall be a separate, nonlapsing account of the General Fund. The  
76 proceeds of the tax imposed pursuant to section 501 of this act shall be  
77 deposited into the account. Investment earnings credited to the assets  
78 of the account shall become part of the assets of the account. Any  
79 balance remaining in said account at the end of any fiscal year shall be  
80 carried forward in said account for the fiscal year next succeeding.

81 (b) The Department of Public Utility Control shall conduct a  
82 contested case proceeding in accordance with the provisions of chapter  
83 54 of the general statutes to disburse funds from the electricity  
84 ratepayers relief account in a manner to directly reduce electricity  
85 ratepayers' electric bills."