



**Substitute Senate Bill No. 1392**

**Public Act No. 07-199**

**AN ACT CONCERNING THE DIESEL FUEL TAX.**

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

Section 1. Subdivision (2) of subsection (a) of section 12-458 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(2) On said date and coincident with the filing of such return each distributor shall pay to the commissioner for the account of the purchaser or consumer a tax (A) on each gallon of such fuels sold or used in this state during the preceding calendar month of twenty-six cents on and after January 1, 1992, twenty-eight cents on and after January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents on and after January 1, 1994, thirty-one cents on and after July 1, 1994, thirty-two cents on and after January 1, 1995, thirty-three cents on and after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-five cents on and after January 1, 1996, thirty-six cents on and after April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight cents on and after October 1, 1996, thirty-nine cents on and after January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two cents on and after July 1, 1998, and twenty-five cents on and after July 1, 2000; and (B) in lieu of said taxes, each distributor shall pay a tax on each gallon of gasohol, as defined in section 14-1, sold or used in this

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state during such preceding calendar month, of twenty-five cents on and after January 1, 1992, twenty-seven cents on and after January 1, 1993, twenty-eight cents on and after July 1, 1993, twenty-nine cents on and after January 1, 1994, thirty cents on and after July 1, 1994, thirty-one cents on and after January 1, 1995, thirty-two cents on and after July 1, 1995, thirty-three cents on and after October 1, 1995, thirty-four cents on and after January 1, 1996, thirty-five cents on and after April 1, 1996, thirty-six cents on and after July 1, 1996, thirty-seven cents on and after October 1, 1996, thirty-eight cents on and after January 1, 1997, thirty-five cents on and after July 1, 1997, thirty-one cents on and after July 1, 1998, and twenty-four cents on and after July 1, 2000, and twenty-five cents on and after July 1, 2004; [and] (C) in lieu of such rate, said taxes each distributor shall pay a tax on each gallon of diesel fuel, propane or natural gas sold or used in this state during such preceding calendar month, of eighteen cents on and after September 1, 1991, and twenty-six cents on and after August 1, 2002; (D) in lieu of said taxes, each distributor shall pay a tax on each gallon of propane or natural gas sold or used in this state during such preceding calendar month, of twenty-six cents on and after July 1, 2007; and (E) in lieu of said taxes, each distributor shall pay a tax on each gallon of diesel fuel sold or used in this state during such preceding calendar month, of thirty-six cents on and after July 1, 2007, thirty-six and eight-tenths cents on and after July 1, 2008, and thirty-eight cents on and after July 1, 2013.

Sec. 2. Subdivision (2) of subsection (b) of section 12-587 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(2) Gross earnings derived from the first sale of the following petroleum products within this state shall be exempt from tax: (A) Any petroleum products sold for exportation from this state for sale or use outside this state; (B) the product designated by the American Society

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for Testing and Materials as "Specification for Heating Oil D396-69", commonly known as number 2 heating oil, to be used exclusively for heating purposes or to be used in a commercial fishing vessel, which vessel qualifies for an exemption pursuant to section 12-412; (C) kerosene, commonly known as number 1 oil, to be used exclusively for heating purposes, provided delivery is of both number 1 and number 2 oil, and via a truck with a metered delivery ticket to a residential dwelling or to a centrally metered system serving a group of residential dwellings; (D) the product identified as propane gas, to be used exclusively for heating purposes; (E) bunker fuel oil, intermediate fuel, marine diesel oil and marine gas oil to be used in any vessel having a displacement exceeding four thousand dead weight tons; (F) for any first sale occurring prior to July 1, 2008, propane gas to be used as a fuel for a motor vehicle; (G) for any first sale occurring on or after July 1, 2002, grade number 6 fuel oil, as defined in regulations adopted pursuant to section 16a-22c, to be used exclusively by a company which, in accordance with census data contained in the Standard Industrial Classification Manual, United States Office of Management and Budget, 1987 edition, is included in code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the North American Industrial Classification System United States Manual, United States Office of Management and Budget, 1997 edition; (H) for any first sale occurring on or after July 1, 2002, number 2 heating oil to be used exclusively in a vessel primarily engaged in interstate commerce, which vessel qualifies for an exemption under section 12-412; (I) for any first sale occurring on or after July 1, 2000, paraffin or microcrystalline waxes; (J) for any first sale occurring prior to July 1, 2008, petroleum products to be used as a fuel for a fuel cell, as defined in subdivision (113) of section 12-412; [or] (K) a commercial heating oil blend containing not less than ten per cent of alternative fuels derived from agricultural produce, food waste, waste vegetable oil or municipal solid waste, including, but not limited to, biodiesel or low sulfur dyed diesel fuel; or (L) for any first sale occurring on or after

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July 1, 2007, diesel fuel to be used exclusively in a qualified motor vehicle by a motor carrier, as both are defined in section 12-478.

Sec. 3. Subsection (b) of section 13b-61a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(b) Notwithstanding the provisions of section 13b-61, for calendar quarters ending on or after September 30, 2006, the Comptroller shall deposit into the Special Transportation Fund an annual amount in accordance with the following schedule, from such funds received by the state from the tax imposed under said section 12-587, as amended by this act, on the gross earnings from the sales of petroleum products. Such transfers shall be made in quarterly installments.

Fiscal Year	Annual Transfer
2007	\$141,000,000
2008	[\$164,000,000] <u>\$131,100,000</u>
2009	[\$180,900,000] <u>\$145,300,000</u>
2010	[\$180,900,000] <u>\$145,300,000</u>
2011	[\$200,900,000] <u>\$165,300,000</u>
2012	[\$200,900,000] <u>\$165,300,000</u>
2013	[\$200,900,000] <u>\$165,300,000</u>
2014 and thereafter	[\$219,400,000] <u>\$179,200,000</u>

Approved July 5, 2007