



House of Representatives

General Assembly

File No. 717

January Session, 2007

Substitute House Bill No. 7403

House of Representatives, May 2, 2007

The Committee on Finance, Revenue and Bonding reported through REP. STAPLES of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING A REFUND OF THE MOTOR VEHICLE FUELS TAX TO WASTE HAULERS EMPLOYED BY CRRA, AND A CLARIFICATION OF THE SURCHARGE ON RENTAL OF CONSTRUCTION EQUIPMENT.

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

1 Section 1. Subsection (a) of section 12-459 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2007*):

4 (a) The payment of the tax provided for by section 12-458 shall be
5 subject to refund as provided herein when such fuel has been sold for
6 use of any of the following: (1) Any person, other than one engaged in
7 the business of farming, when such fuel is used other than in motor
8 vehicles licensed or required to be licensed to operate upon the public
9 highways of this state, except that no tax paid on fuel which is taken
10 out of this state in a fuel tank connected with the engine of a motor
11 vehicle and which is consumed without this state shall be refunded; (2)

12 any person engaged in the business of farming, when such fuel is used
13 other than in motor vehicles licensed or required to be licensed to
14 operate upon the public highways of this state or such fuel is used in
15 motor vehicles registered exclusively for farming purposes, except that
16 no tax paid on fuel which is taken out of this state in a fuel tank
17 connected with the engine of a motor vehicle and which is consumed
18 without this state shall be refunded; (3) the United States; (4) a
19 Connecticut motor bus company, as defined in subsection (e) of section
20 12-455a, engaged in the business of carrying passengers for hire in this
21 state in common carrier motor vehicles, or any person, association or
22 corporation engaged in the business of operating taxicabs in this state
23 pursuant to a certificate under chapter 244a, when such fuel is used in
24 such common carrier motor vehicle or taxicab on roads in this state,
25 except that with respect to such fuel used in a taxicab only fifty per
26 cent of the tax paid on any purchase of fuel applicable to mileage on
27 any roads in this state shall be refunded; (5) any person, association or
28 corporation engaged in the business of operating a motor vehicle in
29 livery service pursuant to a permit issued under chapter 244b, or a
30 motor bus over highways within this state and between points within
31 and without this state pursuant to a permit issued under chapter 244,
32 when such fuel is used in such motor bus on roads in this state for the
33 exclusive purpose of transporting passengers for hire to or from
34 airport facilities, except that with respect to any such motor vehicle in
35 livery service pursuant to a permit issued under chapter 244b only fifty
36 per cent of the tax paid on any purchase of fuel applicable to mileage
37 on any roads in this state shall be refunded; (6) this state or a
38 municipality of this state, when such fuel is used in vehicles owned
39 and operated, or leased and operated, by this state or municipality for
40 governmental purposes; (7) any school bus, as defined in section 14-
41 275; (8) a hospital, when such fuel is used in an ambulance owned by
42 such hospital; (9) a nonprofit civic organization approved by the
43 commissioner, when such fuel is used in an ambulance owned by such
44 organization; (10) a transit district formed under chapter 103a or any
45 special act, when such fuel is used in vehicles owned and operated, or
46 leased and operated, by such transit district for the purposes of such

47 transit district; (11) a corporation or an employee of a corporation or of
 48 the United States, this state or a municipality of this state, when such
 49 fuel is used in a high-occupancy commuter vehicle on roads in this
 50 state, which vehicle is owned or leased by such corporation or such
 51 employee, seats at least ten but not more than fifteen passengers and
 52 has a minimum average daily passenger usage of nine persons to and
 53 from work, for the purpose of transporting such passengers to and
 54 from work daily; (12) a person, corporation or association operating a
 55 motor vehicle in livery service which is registered in accordance with
 56 the provisions of section 13b-83, when such fuel is used in such motor
 57 vehicle in livery service on roads in this state; [and] (13) a federally
 58 funded nutrition program approved by the commissioner, when such
 59 fuel is used in a delivery vehicle on roads in this state for the exclusive
 60 purpose of delivering meals to senior citizens; and (14) waste haulers
 61 employed by the Connecticut Resources Recovery Authority.

62 Sec. 2. Subsection (c) of section 12-692 of the general statutes is
 63 repealed and the following is substituted in lieu thereof (*Effective July*
 64 *1, 2007*):

65 (c) There is hereby imposed a one and one-half per cent surcharge
 66 on machinery rented within the state by a rental company to a lessee
 67 for a period of less than thirty-one days. The rental surcharge shall be
 68 imposed on the total amount the rental company charges the lessee for
 69 the rental of the machinery. Such surcharge shall be in addition to any
 70 tax otherwise applicable to any such transaction, and shall be
 71 includable in the measure of the sales and use taxes imposed under
 72 chapter 219. For purposes of this subsection, such period shall
 73 commence on the date any such machinery is rented to the lessee, and
 74 terminate on the date such machinery is returned to the rental
 75 company.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	12-459(a)
Sec. 2	<i>July 1, 2007</i>	12-692(c)

FIN *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Revenue Services	TF - Revenue Loss	100,000	100,000

Note: TF=Transportation Fund

Municipal Impact: None

Explanation

The bill is expected to result in a revenue loss from the motor vehicle fuels taxes to the Transportation Fund of approximately \$100,000 per year beginning in FY 08.

The bill requires the Department of Revenue Services to study eliminating the sales tax on truck repairs and replacement parts. There is no anticipated fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 7403*****AN ACT CONCERNING A REFUND OF THE MOTOR VEHICLE FUELS TAX TO WASTE HAULERS EMPLOYED BY CRRA, AND A CLARIFICATION OF THE SURCHARGE ON RENTAL OF CONSTRUCTION EQUIPMENT.*****SUMMARY:**

This bill makes waste haulers employed by the Connecticut Resources Recovery Authority eligible for a refund of the motor vehicle fuels taxes they have paid.

The refund is currently available to, among others, (1) federal, state and municipal vehicles used for government purposes; (2) school buses; (3) transit district vehicles; (4) high-occupancy commuter vehicles; (5) motor bus carriers; (6) ambulances; (7) registered livery services; and (8) federally funded nutrition programs, when the fuel is used in vehicles delivering "meals-on-wheels" to senior citizens.

The bill also specifies that, for purposes of the existing heavy equipment rental surcharge, the rental period for the equipment runs from the date the machinery is rented to the date it is returned to the rental company. The state imposes a 1.5% surcharge on the total cost of renting heavy construction, mining, and forestry equipment without an operator for 30 days or less.

EFFECTIVE DATE: July 1, 2007

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 42 Nay 9 (04/16/2007)