



General Assembly

January Session, 2007

**Raised Bill No. 1159**

LCO No. 4069

\*04069\_\_\_\_\_TRA\*

Referred to Committee on Transportation

Introduced by:  
(TRA)

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

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

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2 general statutes is repealed and the following is substituted in lieu  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

4 (2) On said date and coincident with the filing of such return each  
5 distributor shall pay to the commissioner for the account of the  
6 purchaser or consumer a tax (A) on each gallon of such fuels sold or  
7 used in this state during the preceding calendar month of twenty-six  
8 cents on and after January 1, 1992, twenty-eight cents on and after  
9 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents  
10 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,  
11 thirty-two cents on and after January 1, 1995, thirty-three cents on and  
12 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-  
13 five cents on and after January 1, 1996, thirty-six cents on and after  
14 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight  
15 cents on and after October 1, 1996, thirty-nine cents on and after  
16 January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two  
17 cents on and after July 1, 1998, and twenty-five cents on and after July

18 1, 2000; and (B) in lieu of said taxes, each distributor shall pay a tax on  
19 each gallon of gasohol, as defined in section 14-1, sold or used in this  
20 state during such preceding calendar month, of twenty-five cents on  
21 and after January 1, 1992, twenty-seven cents on and after January 1,  
22 1993, twenty-eight cents on and after July 1, 1993, twenty-nine cents on  
23 and after January 1, 1994, thirty cents on and after July 1, 1994, thirty-  
24 one cents on and after January 1, 1995, thirty-two cents on and after  
25 July 1, 1995, thirty-three cents on and after October 1, 1995, thirty-four  
26 cents on and after January 1, 1996, thirty-five cents on and after April  
27 1, 1996, thirty-six cents on and after July 1, 1996, thirty-seven cents on  
28 and after October 1, 1996, thirty-eight cents on and after January 1,  
29 1997, thirty-five cents on and after July 1, 1997, thirty-one cents on and  
30 after July 1, 1998, and twenty-four cents on and after July 1, 2000, and  
31 twenty-five cents on and after July 1, 2004; and (C) in lieu of such  
32 [rate,] tax, (i) on each gallon of [diesel fuel,] propane or natural gas  
33 sold or used in this state during such preceding calendar month, of  
34 eighteen cents on and after September 1, 1991, [and] twenty-six cents  
35 on and after August 1, 2002, and (ii) on each gallon of diesel fuel sold  
36 or used in this state during such preceding calendar month, of  
37 eighteen cents on and after September 1, 1991, twenty-six cents on and  
38 after August 1, 2002, and thirty-two cents on and after October 1, 2007.

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

42 (2) Gross earnings derived from the first sale of the following  
43 petroleum products within this state shall be exempt from tax: (A) Any  
44 petroleum products sold for exportation from this state for sale or use  
45 outside this state; (B) the product designated by the American Society  
46 for Testing and Materials as "Specification for Heating Oil D396-69",  
47 commonly known as number 2 heating oil, to be used exclusively for  
48 heating purposes or to be used in a commercial fishing vessel, which  
49 vessel qualifies for an exemption pursuant to section 12-412; (C)  
50 kerosene, commonly known as number 1 oil, to be used exclusively for

51 heating purposes, provided delivery is of both number 1 and number 2  
 52 oil, and via a truck with a metered delivery ticket to a residential  
 53 dwelling or to a centrally metered system serving a group of  
 54 residential dwellings; (D) the product identified as propane gas, to be  
 55 used exclusively for heating purposes; (E) bunker fuel oil, intermediate  
 56 fuel, marine diesel oil and marine gas oil to be used in any vessel  
 57 having a displacement exceeding four thousand dead weight tons; (F)  
 58 for any first sale occurring prior to July 1, 2008, propane gas to be used  
 59 as a fuel for a motor vehicle; (G) for any first sale occurring on or after  
 60 July 1, 2002, grade number 6 fuel oil, as defined in regulations adopted  
 61 pursuant to section 16a-22c, to be used exclusively by a company  
 62 which, in accordance with census data contained in the Standard  
 63 Industrial Classification Manual, United States Office of Management  
 64 and Budget, 1987 edition, is included in code classifications 2000 to  
 65 3999, inclusive, or in Sector 31, 32 or 33 in the North American  
 66 Industrial Classification System United States Manual, United States  
 67 Office of Management and Budget, 1997 edition; (H) for any first sale  
 68 occurring on or after July 1, 2002, number 2 heating oil to be used  
 69 exclusively in a vessel primarily engaged in interstate commerce,  
 70 which vessel qualifies for an exemption under section 12-412; (I) for  
 71 any first sale occurring on or after July 1, 2000, paraffin or  
 72 microcrystalline waxes; (J) for any first sale occurring prior to July 1,  
 73 2008, petroleum products to be used as a fuel for a fuel cell, as defined  
 74 in subdivision (113) of section 12-412; [or] (K) a commercial heating oil  
 75 blend containing not less than ten per cent of alternative fuels derived  
 76 from agricultural produce, food waste, waste vegetable oil or  
 77 municipal solid waste, including, but not limited to, biodiesel or low  
 78 sulfur dyed diesel fuel; or (L) for any first sale occurring on or after  
 79 October 1, 2007, diesel fuel to be used exclusively in a qualified motor  
 80 vehicle by a motor carrier, as defined in section 12-478.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	12-458(a)(2)

Sec. 2	July 1, 2007	12-587(b)(2)
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**Statement of Purpose:**

To exempt diesel fuel purchased in the state from the gross earnings tax, thereby encouraging increased business in Connecticut, and to increase the rate of the diesel fuel tax, increasing revenue to the Special Transportation Fund.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*