



General Assembly

Substitute Bill No. 1159

January Session, 2007

* SB01159TRA 031907 *

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2 general statutes is repealed and the following is substituted in lieu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 on
35 and after August 1, 2002, and (ii) on each gallon of diesel fuel sold or
36 used in this state during such preceding calendar month, twenty-six
37 cents on and after the effective date of this section, and thirty-two cents
38 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.

81 Sec. 3. Subdivision (2) of subsection (b) of section 12-587 of the
82 general statutes is repealed and the following is substituted in lieu
83 thereof (*Effective July 1, 2007, and applicable to quarterly periods*
84 *commencing on or after July 1, 2007*):

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

89 for Testing and Materials as "Specification for Heating Oil D396-69",
90 commonly known as number 2 heating oil, to be used exclusively for
91 heating purposes or to be used in a commercial fishing vessel, which
92 vessel qualifies for an exemption pursuant to section 12-412; (C)
93 kerosene, commonly known as number 1 oil, to be used exclusively for
94 heating purposes, provided delivery is of both number 1 and number 2
95 oil, and via a truck with a metered delivery ticket to a residential
96 dwelling or to a centrally metered system serving a group of
97 residential dwellings; (D) the product identified as propane gas, to be
98 used exclusively for heating purposes; (E) bunker fuel oil, intermediate
99 fuel, marine diesel oil and marine gas oil to be used in any vessel
100 having a displacement exceeding four thousand dead weight tons; (F)
101 for any first sale occurring prior to July 1, 2008, propane gas to be used
102 as a fuel for a motor vehicle; (G) for any first sale occurring on or after
103 July 1, 2002, grade number 6 fuel oil, as defined in regulations adopted
104 pursuant to section 16a-22c, to be used exclusively by a company
105 which, in accordance with census data contained in the Standard
106 Industrial Classification Manual, United States Office of Management
107 and Budget, 1987 edition, is included in code classifications 2000 to
108 3999, inclusive, or in Sector 31, 32 or 33 in the North American
109 Industrial Classification System United States Manual, United States
110 Office of Management and Budget, 1997 edition; (H) for any first sale
111 occurring on or after July 1, 2002, number 2 heating oil to be used
112 exclusively in a vessel primarily engaged in interstate commerce,
113 which vessel qualifies for an exemption under section 12-412; (I) for
114 any first sale occurring on or after July 1, 2000, paraffin or
115 microcrystalline waxes; (J) for any first sale occurring prior to July 1,
116 2008, petroleum products to be used as a fuel for a fuel cell, as defined
117 in subdivision (113) of section 12-412; [or] (K) a commercial heating oil
118 blend containing not less than ten per cent by volume of alternative
119 fuels derived from agricultural produce, food waste, waste vegetable
120 oil or municipal solid waste, including, but not limited to, biodiesel; [
121 or low sulfur dyed diesel fuel] or (L) for any first sale occurring on or
122 after July 1, 2006, ultra low sulfur diesel fuel, as defined in section 45H
123 of the Internal Revenue Code, which is dyed in accordance with

124 regulations prescribed under section 4082 of the Internal Revenue
125 Code and which is to be used as fuel in any ferry primarily engaged in
126 interstate commerce.

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	<i>July 1, 2007</i>	12-587(b)(2)
Sec. 3	<i>July 1, 2007, and applicable to quarterly periods commencing on or after July 1, 2007</i>	12-587(b)(2)

TRA *Joint Favorable Subst.*