



General Assembly

Amendment

January Session, 2007

LCO No. 7531

SB0042907531HRO

Offered by:

REP. CAFERO, 142nd Dist.

REP. HAMZY, 78th Dist.

REP. KLARIDES, 114th Dist.

To: Subst. Senate Bill No. 429

File No. 265

Cal. No. 617

"AN ACT CONCERNING LAW ENFORCEMENT AND FIRE RESCUE VESSELS."

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

3 "Sec. 501. (NEW) (*Effective July 1, 2007*) The Commissioners of
4 Environmental Protection and Revenue Services shall study the
5 feasibility of expanding the tax exemption for marine fuel pursuant to
6 subdivision (79) of section 12-412 of the general statutes. Said
7 commissioners shall report their findings to the joint standing
8 committees of the General Assembly having cognizance of matters
9 relating to the environment and finance, revenue and bonding no later
10 than February 1, 2008.

11 Sec. 502. Section 12-458 of the general statutes is repealed and the
12 following is substituted in lieu thereof (*Effective from passage*):

13 (a) (1) Each distributor shall, on or before the twenty-fifth day of
14 each month, render a return to the commissioner. Each return shall be
15 signed by the person required to file the return or by his authorized
16 agent but need not be verified by oath. Any return required to be filed
17 by a corporation shall be signed by an officer of such corporation or his
18 authorized agent. Such return shall state the number of gallons of fuel
19 sold or used by him during the preceding calendar month, on forms to
20 be furnished by the commissioner, and shall contain such further
21 information as the commissioner shall prescribe. The commissioner
22 may make public the number of gallons of fuel sold or used by the
23 distributor, as contained in such report, notwithstanding the
24 provisions of section 12-15, or any other section. For purposes of this
25 section, fuel sold shall include but not be limited to the transfer of fuel
26 by a distributor into a receptacle from which fuel is supplied or
27 intended to be supplied to other than such distributor's motor vehicles.

28 (2) On said date and coincident with the filing of such return each
29 distributor shall pay to the commissioner for the account of the
30 purchaser or consumer a tax (A) on each gallon of such fuels sold or
31 used in this state during the preceding calendar month of twenty-six
32 cents on and after January 1, 1992, twenty-eight cents on and after
33 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents
34 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,
35 thirty-two cents on and after January 1, 1995, thirty-three cents on and
36 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-
37 five cents on and after January 1, 1996, thirty-six cents on and after
38 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight
39 cents on and after October 1, 1996, thirty-nine cents on and after
40 January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two
41 cents on and after July 1, 1998, and twenty-five cents on and after July
42 1, 2000; and (B) in lieu of said taxes, each distributor shall pay a tax on
43 each gallon of gasohol, as defined in section 14-1, sold or used in this
44 state during such preceding calendar month, of twenty-five cents on
45 and after January 1, 1992, twenty-seven cents on and after January 1,
46 1993, twenty-eight cents on and after July 1, 1993, twenty-nine cents on

47 and after January 1, 1994, thirty cents on and after July 1, 1994, thirty-
48 one cents on and after January 1, 1995, thirty-two cents on and after
49 July 1, 1995, thirty-three cents on and after October 1, 1995, thirty-four
50 cents on and after January 1, 1996, thirty-five cents on and after April
51 1, 1996, thirty-six cents on and after July 1, 1996, thirty-seven cents on
52 and after October 1, 1996, thirty-eight cents on and after January 1,
53 1997, thirty-five cents on and after July 1, 1997, thirty-one cents on and
54 after July 1, 1998, and twenty-four cents on and after July 1, 2000, and
55 twenty-five cents on and after July 1, 2004; and (C) in lieu of such rate,
56 on each gallon of diesel fuel, propane or natural gas sold or used in
57 this state during such preceding calendar month, of eighteen cents on
58 and after September 1, 1991, and twenty-six cents on and after August
59 1, 2002.

60 (3) Said tax shall not be payable on such fuel as may have been (A)
61 sold to the United States, (B) sold to a municipality of this state, (i) for
62 use by any contractor performing a service for such municipality in
63 accordance with a contract, provided such fuel is used by such
64 contractor exclusively for the purposes of and in accordance with such
65 contract, or (ii) for use exclusively in a school bus, as defined in section
66 14-275, (C) sold to a municipality of this state, a transit district of this
67 state, or this state, at other than a retail outlet, for governmental
68 purposes and for use in vehicles owned and operated, or leased and
69 operated by such municipality, such transit district or this state, (D)
70 sold to a person licensed as a distributor in this state under section 12-
71 456, (E) transferred from storage within this state to some point
72 without this state, (F) sold to the holder of a permit issued under
73 section 12-458a for sale or use without this state, (G) sold to the holder
74 of a permit issued under subdivision (63) of section 12-412, provided
75 (i) such fuel is not used in motor vehicles registered or required to be
76 registered to operate upon the public highways of this state, unless
77 such fuel is used in motor vehicles registered exclusively for farming
78 purposes, (ii) such fuel is not delivered, upon such sale, to a tank in
79 which such person keeps fuel for personal and farm use, and (iii) a
80 statement, prescribed as to form by the Commissioner of Revenue

81 Services and bearing notice to the effect that false statements made
82 under this section are punishable, that such fuel is used exclusively for
83 farming purposes, is submitted by such person to the distributor, (H)
84 sold exclusively to furnish power for an industrial plant in the actual
85 fabrication of finished products to be sold, or for the fishing industry,
86 (I) sold exclusively for heating purposes, (J) sold exclusively to furnish
87 gas, water, steam or electricity, if delivered to consumers through
88 mains, lines or pipes, (K) sold to the owner or operator of an aircraft, as
89 defined in section 15-34, exclusively for aviation purposes, provided (i)
90 for purposes of this subdivision, "aviation purposes" means for the
91 purpose of powering an aircraft or an aircraft engine, (ii) such fuel is
92 delivered, upon such sale, to a tank in which fuel is kept exclusively
93 for aviation purposes, and (iii) a statement, prescribed as to form by
94 the Commissioner of Revenue Services and bearing notice to the effect
95 that false statements made under this section are punishable, that such
96 fuel is used exclusively for aviation purposes, is submitted by such
97 person to the distributor, (L) sold to a dealer who is licensed under
98 section 12-462 and whose place of business is located upon an
99 established airport within this state, [or] (M) diesel fuel sold
100 exclusively for use in portable power system generators that are larger
101 than one hundred fifty kilowatts, or (N) sold during the period
102 beginning on Monday, May 28, 2007, known as Memorial Day, and
103 ending Monday, September 3, 2007, known as Labor Day.

104 (4) Each distributor, when making a taxable sale, shall furnish to the
105 purchaser an invoice showing the quantities of fuel sold, the
106 classification thereof under the provisions of this chapter and the
107 amount of tax to be paid by the distributor for the account of the
108 purchaser or consumer.

109 (5) If any distributor fails to pay the amount of tax reported to be
110 due on its report within the time specified under the provisions of this
111 section, there shall be imposed a penalty equal to ten per cent of such
112 amount due and unpaid, or fifty dollars, whichever is greater. The tax
113 shall bear interest at the rate of one per cent per month or fraction
114 thereof from the due date of the tax until the date of payment.

115 (6) If no return has been filed within three months after the time
116 specified under the provisions of this chapter, the commissioner may
117 make such return at any time thereafter, according to the best
118 information obtainable and the form prescribed. There shall be added
119 to the tax imposed upon the basis of such return an amount equal to
120 ten per cent of such tax, or fifty dollars, whichever is greater. The tax
121 shall bear interest at the rate of one per cent per month or fraction
122 thereof from the due date of such tax to the date of payment.

123 (7) Subject to the provisions of section 12-3a, the commissioner may
124 waive all or part of the penalties provided under this chapter when it
125 is proven to his satisfaction that the failure to pay any tax was due to
126 reasonable cause and was not intentional or due to neglect.

127 (8) A distributor who is exclusively making sales of fuel on which
128 the tax imposed by this chapter is not payable may be permitted, as
129 specified in regulations adopted in accordance with the provisions of
130 chapter 54, to file reports less frequently than monthly but not less
131 frequently than annually if the commissioner determines that
132 enforcement of this section would not be adversely affected by less
133 frequent filings. Distributors permitted to file such reports shall
134 maintain records that shall detail (A) the persons from whom the fuel
135 was purchased, (B) the persons to whom, the quantities in which and
136 the dates on which such fuel was sold, and (C) any other information
137 deemed necessary by the commissioner.

138 (b) The commissioner shall, within three years after the due date for
139 the filing of a return or, in the case of a completed return filed after
140 such due date, within three years after the date of which such return
141 was received by him, examine it and, in case any error is disclosed by
142 such examination, shall, within thirty days after such disclosure, notify
143 the taxpayer thereof. When it appears that any part of the deficiency
144 for which a deficiency assessment is made is due to negligence or
145 intentional disregard of the provisions of this chapter or regulations
146 promulgated thereunder, there shall be imposed a penalty equal to ten
147 per cent of the amount of such deficiency assessment, or fifty dollars,

148 whichever is greater. When it appears that any part of the deficiency
149 for which a deficiency assessment is made is due to fraud or intent to
150 evade the provisions of this chapter or regulations promulgated
151 thereunder, there shall be imposed a penalty equal to twenty-five per
152 cent of the amount of such deficiency assessment. No taxpayer shall be
153 subject to more than one penalty under this subsection in relation to
154 the same tax period. Within thirty days of the mailing of such notice,
155 the taxpayer shall pay to the commissioner, in cash or by check, draft
156 or money order drawn to the order of the Commissioner of Revenue
157 Services, any additional amount of tax shown to be due by the
158 corrected return or shall be paid by the State Treasurer, upon order of
159 the Comptroller, any amount shown to be due such taxpayer by such
160 corrected return. The failure of such taxpayer to receive any notice
161 required by this section shall not relieve such taxpayer of the
162 obligation to pay the tax or any interest or penalties thereon. When,
163 before the expiration of the time prescribed in this section for the
164 examination of the return or the assessment of said tax, both the
165 commissioner and such taxpayer have consented in writing to such
166 examination or assessment after such time, the return may be
167 examined and said tax may be assessed at any time prior to the
168 expiration of the period agreed upon. The period so agreed upon may
169 be extended by subsequent agreements in writing made before the
170 expiration of the period previously agreed upon. The commissioner
171 may also in such a case waive the statute of limitations against a claim
172 for refund by such taxpayer. To any taxes which are assessed under
173 this subsection, there shall be added interest at the rate of one per cent
174 per month or fraction thereof from the date when the original tax
175 became due and payable.

176 (c) Any person who owns or operates a vehicle which runs only
177 upon rails or tracks which is properly registered with the federal
178 government, in accordance with the provisions of Section 4222 of the
179 Internal Revenue Code of 1986, or any subsequent corresponding
180 internal revenue code of the United States, as from time to time
181 amended, shall be exempt from paying to a distributor the motor fuels

182 tax imposed pursuant to section 12-458 for use in such vehicle.

183 Sec. 503. (*Effective upon passage*) The Comptroller shall transfer one
184 hundred twenty-four million seven hundred thousand dollars from
185 the resources of the General Fund to the Special Transportation Fund
186 for the fiscal year ending June 30, 2007, of which forty-one million
187 dollars shall be transferred into the Special Transportation Fund for the
188 fiscal year ending June 30, 2007, and eighty-three million seven
189 hundred thousand dollars shall be deemed transferred into the Special
190 Transportation Fund for the fiscal year ending June 30, 2008."