



Senate

General Assembly

File No. 641

February Session, 2008

Substitute Senate Bill No. 28

Senate, April 17, 2008

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING RECORDING OF REVENUE AND TRANSFERS INTO THE SPECIAL TRANSPORTATION FUND.

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

1 Section 1. Section 3-114b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 [At the close of each fiscal year the Comptroller is authorized to
4 record as revenue of such year, the amount of sales and use taxes to be
5 received for the calendar quarter ending at the close of such fiscal year
6 as estimated by the Secretary of the Office of Policy and Management.]
7 At the end of each fiscal year, commencing with the fiscal year ending
8 on June 30, 2008, the Comptroller is authorized to record as revenue
9 for such fiscal year the amount of revenue related to the tax imposed
10 under chapter 219 for such fiscal year, which is received by the
11 Commissioner of Revenue Services not later than five business days
12 after the last day of July immediately following the end of such fiscal
13 year.

14 Sec. 2. Section 3-114g of the general statutes is repealed and the
15 following is substituted in lieu thereof (*Effective July 1, 2009*):

16 At the end of each fiscal year, commencing with the fiscal year
17 ending on June 30, 1990, the Comptroller is authorized to record as
18 revenue for such fiscal year, the amount of revenue related to the tax
19 imposed under chapter 208 for such fiscal year which is received by
20 the Commissioner of Revenue Services not later than five business
21 days after the [August fifteenth] last day of July immediately following
22 the end of such fiscal year.

23 Sec. 3. Section 3-114n of the general statutes is repealed and the
24 following is substituted in lieu thereof (*Effective from passage*):

25 [At] Except as otherwise provided in this section, at the end of each
26 fiscal year commencing with the fiscal year ending June 30, 2003, the
27 Comptroller is authorized to record as revenue for such fiscal year the
28 amount of revenue related to the tax imposed under the provisions of
29 chapter 211 [on gross earnings in] for such fiscal year [applicable to
30 operating a community antenna television system under chapter 289 or
31 to any person operating a business that provides one-way transmission
32 to subscribers of video programming by satellite and which tax] that is
33 received by the Commissioner of Revenue Services not later than five
34 business days after the last day of July immediately following the end
35 of such fiscal year. The provisions of this section shall not apply to the
36 amount of revenue related to the tax imposed under section 16-331cc
37 of the 2008 supplement to the general statutes.

38 Sec. 4. Subsection (b) of section 13b-61a of the 2008 supplement to
39 the general statutes is repealed and the following is substituted in lieu
40 thereof (*Effective July 1, 2008*):

41 (b) Notwithstanding the provisions of section 13b-61, for calendar
42 quarters ending on or after September 30, 2006, the Comptroller shall
43 deposit into the Special Transportation Fund an annual amount in
44 accordance with the following schedule, from such funds received by
45 the state from the tax imposed under said section 12-587 of the 2008

46 supplement to the general statutes on the gross earnings from the sales
 47 of petroleum products. Such transfers shall be made in quarterly
 48 installments.

T1	Fiscal Year	Annual Transfer
T2	2007	\$141,000,000
T3	2008	\$127,800,000
T4	2009	[\$141,900,000] <u>\$167,400,000</u>
T5	2010	[\$141,900,000] <u>\$167,400,000</u>
T6	2011	[\$165,300,000] <u>\$190,800,000</u>
T7	2012	[\$165,300,000] <u>\$190,800,000</u>
T8	2013	[\$165,300,000] <u>\$190,800,000</u>
T9	2014 and thereafter	[\$179,200,000] <u>\$204,700,000</u>

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-114b
Sec. 2	<i>July 1, 2009</i>	3-114g
Sec. 3	<i>from passage</i>	3-114n
Sec. 4	<i>July 1, 2008</i>	13b-61a(b)

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 09 \$	FY 10 \$
Department of Revenue Services	GF - Revenue Loss	33.5 million	25.5 million
Department of Transportation	TF - Revenue Gain	25.5 million	25.5 million

Note: GF=General Fund; TF=Transportation Fund

Municipal Impact: None

Explanation

Section 2 shortens the corporation tax accrual period from August 15th to July 31st. This is anticipated to result in a one-time revenue loss to the General Fund of \$8 million in FY 09.

Section 4 increases the annual transfers of petroleum products gross earnings tax revenue from the General Fund to the Special Transportation Fund by \$25.5 million per year starting with FY 09. This will result in a revenue loss to the General Fund and revenue gain to the Transportation Fund of \$25.5 million beginning in FY 09.

The Out Years

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

OLR Bill Analysis

sSB 28

AN ACT CONCERNING RECORDING OF REVENUE AND TRANSFERS INTO THE SPECIAL TRANSPORTATION FUND.

SUMMARY:

This bill increases the annual transfers of petroleum products gross earnings tax revenue from the General Fund to the Special Transportation Fund (STF) by \$25.5 million per year starting with FY 09.

It also adjusts how much revenue from certain tax payments received after the close of the fiscal year the comptroller can count as revenue for that year.

EFFECTIVE DATE: Various, see below.

§ 4 — PETROLEUM PRODUCTS GROSS EARNINGS TAX TRANSFERS TO THE SPECIAL TRANSPORTATION FUND

The law requires the comptroller to transfer a specified amount of revenue from the petroleum products gross earnings tax each quarter from the General Fund to the STF. The bill increases the total of these quarterly transfers by \$25.5 million per year as shown below. The increased revenue transfers start in FY 09.

Fiscal Year	Annual Revenue Transfer	
	Current (millions)	Proposed (millions)
2008	\$127.8	No change
2009	141.9	\$167.4
2010	141.9	167.4
2011	165.3	190.8
2012	165.3	190.8
2013	165.3	190.8
2014 and after	179.2	204.7

EFFECTIVE DATE: July 1, 2008

§§ 1-3 — REVENUE ACCRUALS

By law, before she closes the state's books for any fiscal year, the comptroller must count ("accrue") certain tax payments received after the end of the year as part of the state revenue for that year. This bill changes how the comptroller must accrue certain revenue.

§ 1 — Sales and Use Tax Revenue

Starting with FY 08, the bill changes the amount of sales and use tax revenue the comptroller can count as revenue for any fiscal year. Under current law, she can count the amount the Office of Policy and Management secretary estimates the state will receive for the last quarter of the fiscal year. The bill instead allows her to count any sales and use tax payments that the Department of Revenue Services (DRS) receives up to five business days after the July 31 following the end of the fiscal year.

EFFECTIVE DATE: Upon passage

§ 2 — Corporation Tax Revenue

The bill advances by two weeks the deadline for counting corporation business tax revenue for any fiscal year. Instead of counting all payments DRS receives until five business days after August 15th, the bill allows the comptroller to count only payments received until five business days after July 31st following the end of the fiscal year.

EFFECTIVE DATE: July 1, 2009

§ 3 — Cable and Satellite Television Gross Earnings Tax Revenue

The bill excludes the cable and satellite television gross earnings tax revenue earmarked for the public, educational and governmental programming and educational technology investment account from the overall accrual requirements for that tax. PA 07-253 established the account to fund (1) community access activities and cable television and video advisory councils; (2) public, educational, and government

programmers; and (3) educational technology initiatives by local boards of education and other education entities. The 2007 act earmarked 0.5% of the tax revenue to the account from October 1, 2007 through October 1, 2009 and 0.25% thereafter.

The section also makes technical changes.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 51 Nay 2 (04/01/2008)