



Senate

General Assembly

File No. 95

February Session, 2008

Substitute Senate Bill No. 510

Senate, March 20, 2008

The Committee on Environment reported through SEN. MEYER of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CREATING A SALES TAX EXEMPTION AND OPTIONAL PROPERTY TAX EXEMPTION FOR HYBRID PLUG-IN VEHICLES.

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

1 Section 1. Section 12-129s of the 2008 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2008, and applicable to assessment years commencing on*
4 *or after October 1, 2009*):

5 Any municipality may, by vote of its legislative body or, in a
6 municipality where the legislative body is a town meeting, by vote of
7 the board of selectmen, provide a property tax exemption with respect
8 to motor vehicles that are exempt from sales and use taxes under
9 subdivision (110), [or] (115) or (119) of section 12-412 of the 2008
10 supplement to the general statutes, as amended by this act.

11 Sec. 2. Section 12-412 of the 2008 supplement to the general statutes
12 is amended by adding subdivision (119) as follows (*Effective October 1,*
13 *2008, and applicable to sales occurring on or after April 1, 2009*):

14 (NEW) (119) On and after April 1, 2009, the sale of any plug-in
 15 hybrid vehicle. For the purposes of this subdivision, "plug-in hybrid
 16 vehicle" means a passenger motor vehicle that (A) draws motive
 17 power from a battery with a capacity of at least 4 kilowatt-hours; (B)
 18 can be recharged from an external source of electricity for motive
 19 power; and (C) has the ability to drive at least ten miles in all-electric
 20 mode, while consuming no fuel.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2009</i>	12-129s
Sec. 2	<i>October 1, 2008, and applicable to sales occurring on or after April 1, 2009</i>	12-412

Statement of Legislative Commissioners:

In section 2, (1), (2) and (3) were changed to (A), (B) and (C) for consistency of form.

ENV Joint Favorable Subst.-LCO

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	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 09 \$	FY 10 \$
All Municipalities	Revenue Impact	See Below	See Below

Explanation

State and Municipal Impact

Section 1 of the bill provides a local option to municipalities to provide a property tax exemption to hybrid plug-in vehicles. Section 2 of the bill establishes a sales tax exemption for hybrid plug-in vehicles. The short-term impact of these tax exemptions is anticipated to be none because the commercial availability of hybrid plug-in vehicles is limited.

The Out Years

To the degree that hybrid plug-in vehicles become commercially available then these incentives would have an impact on General Fund revenues and municipal grand lists.

OLR Bill Analysis**SB 510*****AN ACT CREATING A SALES TAX EXEMPTION AND OPTIONAL
PROPERTY TAX EXEMPTION FOR HYBRID PLUG-IN VEHICLES.*****SUMMARY:**

This bill (1) creates a sales tax exemption for plug-in hybrid vehicles, starting April 1, 2009, and (2) gives municipalities the option of providing a property tax exemption for these vehicles.

EFFECTIVE DATE: October 1, 2008 and applicable to sales occurring on or after April 1, 2009 for the sales tax exemption and to assessment years starting on or after October 1, 2009 for the local property tax option.

PLUG-IN HYBRID VEHICLES

Under the bill, a plug-in hybrid vehicle is a passenger motor vehicle that draws motive power from a battery with a capacity of at least 4 kilowatt-hours and can drive at least 10 miles on electric power alone. It must be able to be recharged from an external electric source.

The bill allows any municipality, by a vote of its legislative body, or, in a town where the legislative body is a town meeting, by a vote of its board of selectmen, to provide a property tax exemption for these vehicles.

COMMITTEE ACTION

Environment Committee

Joint Favorable

Yea 28 Nay 0 (03/05/2008)