



General Assembly

Amendment

June 11 Special Session, 2008

LCO No. 6814

SB0100006814SR0

Offered by:

SEN. MCKINNEY, 28th Dist.

REP. CAFERO, 142nd Dist.

To: Senate Bill No. 1000

File No.

Cal. No.

"AN ACT CONCERNING ADJUSTMENTS TO CERTAIN PETROLEUM PRODUCTS TAXES, PETROLEUM FRANCHISE AGREEMENTS, GASOLINE DISCOUNTS FOR CONSUMERS, HOME HEATING OIL AND PROPANE GAS CONTRACT DEPOSITS AND THE FUEL OIL CONSERVATION ACCOUNT."

1 Strike sections 1 and 2 in their entirety and insert the following in
2 lieu thereof:

3 "Section 1. Section 12-587 of the 2008 supplement to the general
4 statutes is repealed and the following is substituted in lieu thereof
5 (*Effective July 1, 2008*):

6 (a) As used in this chapter: (1) "Company" includes a corporation,
7 partnership, limited partnership, limited liability company, limited
8 liability partnership, association, individual or any fiduciary thereof;
9 (2) "quarterly period" means a period of three calendar months
10 commencing on the first day of January, April, July or October and
11 ending on the last day of March, June, September or December,
12 respectively; (3) "gross earnings" means all consideration received

13 from the first sale within this state of a petroleum product; (4)
14 "petroleum products" means those products which contain or are
15 made from petroleum or a petroleum derivative; (5) "first sale of
16 petroleum products within this state" means the initial sale of a
17 petroleum product delivered to a location in this state; (6) "export" or
18 "exportation" means the conveyance of petroleum products from
19 within this state to a location outside this state for the purpose of sale
20 or use outside this state; and (7) "sale for exportation" means a sale of
21 petroleum products to a purchaser which itself exports such products.

22 (b) (1) Except as otherwise provided in subdivision (2) of this
23 subsection, any company which is engaged in the refining or
24 distribution, or both, of petroleum products and which distributes
25 such products in this state shall pay a quarterly tax on its gross
26 earnings derived from the first sale of petroleum products within this
27 state. Each company shall on or before the last day of the month next
28 succeeding each quarterly period render to the commissioner a return
29 on forms prescribed or furnished by the commissioner and signed by
30 the person performing the duties of treasurer or an authorized agent or
31 officer, including the amount of gross earnings derived from the first
32 sale of petroleum products within this state for the quarterly period
33 and such other facts as the commissioner may require for the purpose
34 of making any computation required by this chapter. Except as
35 otherwise provided in subdivision (3) of this subsection, the rate of tax
36 shall be (A) five per cent with respect to calendar quarters prior to July
37 1, 2005; (B) five and eight-tenths per cent with respect to calendar
38 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;
39 (C) six and three-tenths per cent with respect to calendar quarters
40 commencing on or after July 1, 2006, and prior to July 1, 2007; and (D)
41 seven per cent with respect to calendar quarters commencing on or
42 after July 1, 2007;], and prior to July 1, 2008; (E) seven and one-half per
43 cent with respect to calendar quarters commencing on or after July 1,
44 2008, and prior to July 1, 2013; and (F) eight and one-tenth per cent
45 with respect to calendar quarters commencing on or after July 1, 2013.]

46 (2) Gross earnings derived from the first sale of the following

47 petroleum products within this state shall be exempt from tax: (A) Any
48 petroleum products sold for exportation from this state for sale or use
49 outside this state; (B) the product designated by the American Society
50 for Testing and Materials as "Specification for Heating Oil D396-69",
51 commonly known as number 2 heating oil, to be used exclusively for
52 heating purposes or to be used in a commercial fishing vessel, which
53 vessel qualifies for an exemption pursuant to section 12-412 of the 2008
54 supplement to the general statutes, as amended by section 34 of public
55 act 08-150; (C) kerosene, commonly known as number 1 oil, to be used
56 exclusively for heating purposes, provided delivery is of both number
57 1 and number 2 oil, and via a truck with a metered delivery ticket to a
58 residential dwelling or to a centrally metered system serving a group
59 of residential dwellings; (D) the product identified as propane gas, to
60 be used exclusively for heating purposes; (E) bunker fuel oil,
61 intermediate fuel, marine diesel oil and marine gas oil to be used in
62 any vessel having a displacement exceeding four thousand dead
63 weight tons; (F) for any first sale occurring prior to July 1, 2008,
64 propane gas to be used as a fuel for a motor vehicle; (G) for any first
65 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as
66 defined in regulations adopted pursuant to section 16a-22c, to be used
67 exclusively by a company which, in accordance with census data
68 contained in the Standard Industrial Classification Manual, United
69 States Office of Management and Budget, 1987 edition, is included in
70 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in
71 the North American Industrial Classification System United States
72 Manual, United States Office of Management and Budget, 1997 edition;
73 (H) for any first sale occurring on or after July 1, 2002, number 2
74 heating oil to be used exclusively in a vessel primarily engaged in
75 interstate commerce, which vessel qualifies for an exemption under
76 section 12-412 of the 2008 supplement to the general statutes, as
77 amended by section 34 of public act 08-150; (I) for any first sale
78 occurring on or after July 1, 2000, paraffin or microcrystalline waxes;
79 (J) for any first sale occurring prior to July 1, 2008, petroleum products
80 to be used as a fuel for a fuel cell, as defined in subdivision (113) of
81 section 12-412 of the 2008 supplement to the general statutes; (K) a

82 commercial heating oil blend containing not less than ten per cent of
83 alternative fuels derived from agricultural produce, food waste, waste
84 vegetable oil or municipal solid waste, including, but not limited to,
85 biodiesel or low sulfur dyed diesel fuel; or (L) for any first sale
86 occurring on or after July 1, 2007, diesel fuel other than diesel fuel to be
87 used in an electric generating facility to generate electricity.

88 (3) The rate of tax on gross earnings derived from the first sale of
89 grade number 6 fuel oil, as defined in regulations adopted pursuant to
90 section 16a-22c, to be used exclusively by a company which, in
91 accordance with census data contained in the Standard Industrial
92 Classification Manual, United States Office of Management and
93 Budget, 1987 edition, is included in code classifications 2000 to 3999,
94 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
95 Classification System United States Manual, United States Office of
96 Management and Budget, 1997 edition, or number 2 heating oil used
97 exclusively in a vessel primarily engaged in interstate commerce,
98 which vessel qualifies for an exemption under section 12-412 of the
99 2008 supplement to the general statutes, as amended by section 34 of
100 public act 08-150, shall be: (A) Four per cent with respect to calendar
101 quarters commencing on or after July 1, 1998, and prior to July 1, 1999;
102 (B) three per cent with respect to calendar quarters commencing on or
103 after July 1, 1999, and prior to July 1, 2000; (C) two per cent with
104 respect to calendar quarters commencing on or after July 1, 2000, and
105 prior to July 1, 2001; and (D) one per cent with respect to calendar
106 quarters commencing on or after July 1, 2001, and prior to July 1, 2002.

107 (4) Any company subject to tax under this subsection that receives
108 in excess of two dollars and ninety-seven cents per gallon from the first
109 sale of petroleum products within this state shall be deemed to have
110 received two dollars and ninety-seven cents per gallon.

111 (c) (1) Any company which imports or causes to be imported into
112 this state petroleum products for sale, use or consumption in this state,
113 other than a company subject to and having paid the tax on such
114 company's gross earnings from first sales of petroleum products

115 within this state, which earnings include gross earnings attributable to
116 such imported or caused to be imported petroleum products, in
117 accordance with subsection (b) of this section, shall pay a quarterly tax
118 on the consideration given or contracted to be given for such
119 petroleum product if the consideration given or contracted to be given
120 for all such deliveries during the quarterly period for which such tax is
121 to be paid exceeds three thousand dollars. Except as otherwise
122 provided in subdivision (3) of this subsection, the rate of tax shall be
123 (A) five per cent with respect to calendar quarters commencing prior to
124 July 1, 2005; (B) five and eight-tenths per cent with respect to calendar
125 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;
126 (C) six and three-tenths per cent with respect to calendar quarters
127 commencing on or after July 1, 2006, and prior to July 1, 2007; and (D)
128 seven per cent with respect to calendar quarters commencing on or
129 after July 1, 2007;], and prior to July 1, 2008; (E) seven and one-half per
130 cent with respect to calendar quarters commencing on or after July 1,
131 2008, and prior to July 1, 2013; and (F) eight and one-tenth per cent
132 with respect to calendar quarters commencing on or after July 1, 2013.]
133 Fuel in the fuel supply tanks of a motor vehicle, which fuel tanks are
134 directly connected to the engine, shall not be considered a delivery for
135 the purposes of this subsection.

136 (2) Consideration given or contracted to be given for petroleum
137 products, gross earnings from the first sale of which are exempt from
138 tax under subdivision (2) of subsection (b) of this section, shall be
139 exempt from tax.

140 (3) The rate of tax on consideration given or contracted to be given
141 for grade number 6 fuel oil, as defined in regulations adopted
142 pursuant to section 16a-22c, to be used exclusively by a company
143 which, in accordance with census data contained in the Standard
144 Industrial Classification Manual, United States Office of Management
145 and Budget, 1987 edition, is included in code classifications 2000 to
146 3999, inclusive, or in Sector 31, 32 or 33 in the North American
147 Industrial Classification System United States Manual, United States
148 Office of Management and Budget, 1997 edition, or number 2 heating

149 oil used exclusively in a vessel primarily engaged in interstate
150 commerce, which vessel qualifies for an exemption under section 12-
151 412 of the 2008 supplement to the general statutes, as amended by
152 section 34 of public act 08-150, shall be: (A) Four per cent with respect
153 to calendar quarters commencing on or after July 1, 1998, and prior to
154 July 1, 1999; (B) three per cent with respect to calendar quarters
155 commencing on or after July 1, 1999, and prior to July 1, 2000; (C) two
156 per cent with respect to calendar quarters commencing on or after July
157 1, 2000, and prior to July 1, 2001; and (D) one per cent with respect to
158 calendar quarters commencing on or after July 1, 2001, and prior to
159 July 1, 2002.

160 (4) Any company subject to tax under this subsection that gives
161 consideration or contracts to give consideration in excess of two
162 dollars and ninety-seven cents per gallon from the first sale of
163 imported or caused to be imported petroleum products shall be
164 deemed to have given consideration or contracted to give
165 consideration of two dollars and ninety-seven cents per gallon.

166 (d) The amount of tax reported to be due on such return shall be
167 due and payable on or before the last day of the month next
168 succeeding the quarterly period. The tax imposed under the provisions
169 of this chapter shall be in addition to any other tax imposed by this
170 state on such company.

171 (e) For the purposes of this chapter, the gross earnings of any
172 producer or refiner of petroleum products operating a service station
173 along the highways or interstate highways within the state pursuant to
174 a contract with the Department of Transportation or operating a
175 service station which is used as a training or test marketing center
176 under the provisions of subsection (b) of section 14-344d, shall be
177 calculated by multiplying the volume of petroleum products delivered
178 by any producer or refiner to any such station by such producer's or
179 refiner's dealer tank wagon price or dealer wholesale price in the area
180 of the service station."