



General Assembly

February Session, 2012

Raised Bill No. 267

LCO No. 1413

* SB00267ENVFIN032212 *

Referred to Committee on Environment

Introduced by:
(ENV)

AN ACT CONCERNING CLEAN AND ALTERNATIVE FUEL VEHICLES.

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

1 Section 1. Subdivisions (67) to (69), inclusive, of section 12-412 of the
2 2012 supplement to the general statutes are repealed and the following
3 is substituted in lieu thereof (*Effective from passage*):

4 (67) Sales of and the storage, use or other consumption, prior to July
5 1, [2008] 2017, of a new motor vehicle which is [exclusively] powered
6 by a clean alternative fuel. As used in this subdivision and
7 subdivisions (68) and (69) of this section, "clean alternative fuel" shall
8 mean natural gas, hydrogen or electricity when used as a motor
9 vehicle fuel or propane when used as [a] an over-the-road motor
10 vehicle fuel if such a vehicle meets the federal fleet emissions
11 standards under the federal Clean Air Act or any emissions standards
12 adopted by the Commissioner of Energy and Environmental
13 Protection as part of the state's implementation plan under said act.

14 (68) Sales of and the storage, use or other consumption, prior to July
15 1, [2008] 2017, of conversion equipment incorporated into or used in
16 converting vehicles powered by any other fuel to either exclusive use

17 of a clean alternative fuel or dual use of any other fuel and a clean
18 alternative fuel, including, but not limited to, storage cylinders,
19 cylinder brackets, regulated mixers, fill valves, pressure regulators,
20 solenoid valves, fuel gauges, electronic ignitions and alternative fuel
21 delivery lines.

22 (69) Sales of and the storage, use or other consumption, prior to July
23 1, [2008] 2017, of equipment incorporated into or used in a compressed
24 natural gas or hydrogen filling or electric recharging station for
25 vehicles powered by a clean alternative fuel, including, but not limited
26 to, compressors, storage cylinders, associated framing, tubing and
27 fittings, valves, fuel poles and fuel delivery lines used for clean
28 alternative fuel storage and filling facilities.

29 Sec. 2. Subdivision (2) of subsection (b) of section 12-587 of the
30 general statutes is repealed and the following is substituted in lieu
31 thereof (*Effective from passage*):

32 (2) Gross earnings derived from the first sale of the following
33 petroleum products within this state shall be exempt from tax: (A) Any
34 petroleum products sold for exportation from this state for sale or use
35 outside this state; (B) the product designated by the American Society
36 for Testing and Materials as "Specification for Heating Oil D396-69",
37 commonly known as number 2 heating oil, to be used exclusively for
38 heating purposes or to be used in a commercial fishing vessel, which
39 vessel qualifies for an exemption pursuant to section 12-412; (C)
40 kerosene, commonly known as number 1 oil, to be used exclusively for
41 heating purposes, provided delivery is of both number 1 and number 2
42 oil, and via a truck with a metered delivery ticket to a residential
43 dwelling or to a centrally metered system serving a group of
44 residential dwellings; (D) the product identified as propane gas, to be
45 used exclusively for heating purposes; (E) bunker fuel oil, intermediate
46 fuel, marine diesel oil and marine gas oil to be used in any vessel
47 having a displacement exceeding four thousand dead weight tons; (F)
48 for any first sale occurring prior to July 1, [2008] 2017, propane gas to
49 be used as a fuel for a motor vehicle; (G) for any first sale occurring on

50 or after July 1, 2002, grade number 6 fuel oil, as defined in regulations
 51 adopted pursuant to section 16a-22c, to be used exclusively by a
 52 company which, in accordance with census data contained in the
 53 Standard Industrial Classification Manual, United States Office of
 54 Management and Budget, 1987 edition, is included in code
 55 classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the
 56 North American Industrial Classification System United States
 57 Manual, United States Office of Management and Budget, 1997 edition;
 58 (H) for any first sale occurring on or after July 1, 2002, number 2
 59 heating oil to be used exclusively in a vessel primarily engaged in
 60 interstate commerce, which vessel qualifies for an exemption under
 61 section 12-412; (I) for any first sale occurring on or after July 1, 2000,
 62 paraffin or microcrystalline waxes; (J) for any first sale occurring prior
 63 to July 1, [2008] 2017, petroleum products to be used as a fuel for a fuel
 64 cell, as defined in subdivision (113) of section 12-412; (K) a commercial
 65 heating oil blend containing not less than ten per cent of alternative
 66 fuels derived from agricultural produce, food waste, waste vegetable
 67 oil or municipal solid waste, including, but not limited to, biodiesel or
 68 low sulfur dyed diesel fuel; or (L) for any first sale occurring on or
 69 after July 1, 2007, diesel fuel other than diesel fuel to be used in an
 70 electric generating facility to generate electricity.

71 Sec. 3. Subsection (a) of section 12-264 of the general statutes is
 72 repealed and the following is substituted in lieu thereof (*Effective from*
 73 *passage*):

74 (a) Each (1) municipality, or department or agency thereof, or
 75 district manufacturing, selling or distributing gas to be used for light,
 76 heat or power, (2) company the principal business of which is
 77 manufacturing, selling or distributing gas or steam to be used for light,
 78 heat or power, including each foreign municipal electric utility, as
 79 defined in section 12-59, and given authority to engage in business in
 80 this state pursuant to the provisions of section 16-246c, and (3)
 81 company required to register pursuant to section 16-258a shall pay a
 82 quarterly tax upon gross earnings from such operations in this state.

83 Gross earnings from such operations under subdivisions (1) and (2) of
 84 this subsection shall include (A) all income classified as operating
 85 revenues by the Public Utilities Regulatory Authority in the uniform
 86 systems of accounts prescribed by said authority for operations within
 87 the taxable quarter and, with respect to each such company, (B) all
 88 income classified in said uniform systems of accounts as income from
 89 merchandising, jobbing and contract work, (C) income from nonutility
 90 operations, (D) revenues from lease of physical property not devoted
 91 to utility operation, and (E) receipts from the sale of residuals and
 92 other by-products obtained in connection with the production of gas,
 93 electricity or steam. Gross earnings from such operations under
 94 subdivision (3) of this subsection shall be gross income from the sales
 95 of natural gas, provided gross income shall not include income from
 96 the sale of natural gas to an existing combined cycle facility comprised
 97 of three gas turbines providing electric generation services, as defined
 98 in section 16-1, with a total capacity of seven hundred seventy-five
 99 megawatts, for use in the production of electricity. Gross earnings of a
 100 gas company, as defined in section 16-1, shall not include income
 101 earned in a taxable quarter commencing prior to June 30, [2008] 2017,
 102 from the sale of natural gas or propane as a fuel for a motor vehicle.
 103 No deductions shall be allowed from such gross earnings for any
 104 commission, rebate or other payment, except a refund resulting from
 105 an error or overcharge and those specifically mentioned in section 12-
 106 265. Gross earnings of a company as described in subdivision (2) of
 107 this subsection shall not include income earned in any taxable quarter
 108 commencing on or after July 1, 2000, from the sale of steam.

109 Sec. 4. Section 12-217i of the general statutes is repealed and the
 110 following is substituted in lieu thereof (*Effective July 1, 2012, and*
 111 *applicable to income years commencing on and after January 1, 2012*):

112 (a) There shall be allowed a credit for any taxpayer against the tax
 113 imposed by this chapter, chapter 209, 210, 211 or 212 in any income
 114 year or calendar quarter, as the case may be, commencing prior to
 115 January 1, [2008] 2017, in an amount equal to ten per cent of the

116 amount of expenditures paid or incurred during such income year or
117 such quarter, as the case may be, for the incremental cost of purchasing
118 a vehicle which is exclusively powered by a clean alternative fuel.

119 (b) There shall be allowed a credit for any taxpayer against the tax
120 imposed by this chapter in any income year commencing on or after
121 January 1, 1994, and prior to January 1, [2008] 2017, in an amount equal
122 to fifty per cent of the amount of expenditures, other than those
123 described in subsection (a) of this section, paid or incurred during such
124 income year directly for (1) the construction of any filling station or
125 improvements to any existing filling station in order to provide
126 compressed natural gas, liquefied petroleum gas or liquefied natural
127 gas; (2) the purchase and installation of conversion equipment
128 incorporated into or used in converting vehicles powered by any other
129 fuel to either exclusive use of clean alternative fuel or dual use of such
130 other fuel and a clean alternative fuel, including, but not limited to,
131 storage cylinders, cylinder brackets, regulated mixers, fill valves,
132 pressure regulators, solenoid valves, fuel gauges, electronic ignitions
133 and alternative fuel delivery lines, if such converted vehicles, after
134 conversion, meet generally accepted standards, including, but not
135 limited to, the standards set by the American Gas Association, the
136 National Fire Protection Association, the American National Standards
137 Institute, the American Society of Testing Materials or the American
138 Society of Mechanical Engineers; or (3) the purchase and installation of
139 equipment incorporated into or used in a compressed natural gas,
140 liquefied petroleum gas or liquefied natural gas filling or electric
141 recharging station for vehicles powered by a clean alternative fuel,
142 including, but not limited to, compressors, storage cylinders,
143 associated framing, tubing and fittings, valves and fuel poles and fuel
144 delivery lines.

145 (c) If the amount of any credit provided in this section exceeds the
146 amount of tax otherwise payable in the income year or calendar
147 quarter, as the case may be, in which such expenditure was paid or
148 incurred, the balance of any such credit remaining may be taken in any

149 of the three succeeding income years or twelve succeeding calendar
 150 quarters, respectively. Any taxpayer allowed such a tax credit against
 151 the tax imposed under this chapter, chapter 209, 210, 211 or 212 shall
 152 not be allowed such credit under more than one of said chapters. As
 153 used in this section "clean alternative fuel" shall mean compressed
 154 natural gas, liquefied petroleum gas, liquefied natural gas or electricity
 155 when used as a motor vehicle fuel and "incremental cost" shall mean
 156 the difference between the purchase price of a vehicle which is
 157 exclusively powered by a clean alternative fuel and the manufacturer's
 158 suggested retail price of a comparably equipped vehicle which is not
 159 so powered.

160 Sec. 5. Section 12-458f of the general statutes is repealed and the
 161 following is substituted in lieu thereof (*Effective from passage*):

162 On and after July 1, 1994, and until July 1, [2008] 2017, compressed
 163 natural gas, liquefied petroleum gas and liquefied natural gas shall not
 164 be subject to the tax imposed under section 12-458.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-412(67) to (69)
Sec. 2	<i>from passage</i>	12-587(b)(2)
Sec. 3	<i>from passage</i>	12-264(a)
Sec. 4	<i>July 1, 2012, and applicable to income years commencing on and after January 1, 2012</i>	12-217i
Sec. 5	<i>from passage</i>	12-458f

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Joint Favorable C/R

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