



General Assembly

Substitute Bill No. 355

February Session, 2012

* SB00355F IN 040412 *

AN ACT CONCERNING THE REVENUES FROM THE PETROLEUM PRODUCTS GROSS EARNINGS TAX AND PROVIDING AN ADDITIONAL EXEMPTION FROM SAID TAX.

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

1 Section 1. (NEW) (*Effective July 1, 2012*) For the fiscal year ending
2 June 30, 2013, and annually thereafter, the Comptroller shall make
3 available for the purposes of the underground storage tank petroleum
4 clean-up program established under section 22a-449c of the general
5 statutes, the amount collected in the immediately preceding fiscal year
6 from the petroleum products gross earnings tax imposed pursuant to
7 section 12-587 of the general statutes, as amended by this act, that is in
8 excess of the amount for said tax contained in the revenue schedule
9 supporting the budget for such preceding fiscal year.

10 Sec. 2. (NEW) (*Effective July 1, 2012*) There is established an account
11 to be known as the "rail cars and rail yard account" which shall be a
12 separate, nonlapsing account within the Special Transportation Fund.
13 The following funds shall be deposited annually in the account: (1)
14 Revenues collected for the petroleum products gross earnings tax
15 imposed pursuant to section 12-587 of the general statutes, as amended
16 by this act, in an amount equal to the annual amount budgeted for
17 purchase of self-propelled rail cars and for the design and construction
18 of rail maintenance facilities to support such cars, and (2) any other
19 funds required by law to be deposited in the account. Moneys in the

20 account shall be expended by the Commissioner of Transportation for
21 the purposes of the purchase of self-propelled rail cars and for the
22 design and construction of rail maintenance facilities to support such
23 cars.

24 Sec. 3. Subsection (b) of section 12-587 of the general statutes is
25 repealed and the following is substituted in lieu thereof (*Effective July*
26 *1, 2012*):

27 (b) (1) Except as otherwise provided in subdivision (2) of this
28 subsection, any company which is engaged in the refining or
29 distribution, or both, of petroleum products and which distributes
30 such products in this state shall pay a quarterly tax on its gross
31 earnings derived from the first sale of petroleum products within this
32 state. Each company shall on or before the last day of the month next
33 succeeding each quarterly period render to the commissioner a return
34 on forms prescribed or furnished by the commissioner and signed by
35 the person performing the duties of treasurer or an authorized agent or
36 officer, including the amount of gross earnings derived from the first
37 sale of petroleum products within this state for the quarterly period
38 and such other facts as the commissioner may require for the purpose
39 of making any computation required by this chapter. Except as
40 otherwise provided in subdivision (3) of this subsection, the rate of tax
41 shall be (A) five per cent with respect to calendar quarters prior to July
42 1, 2005; (B) five and eight-tenths per cent with respect to calendar
43 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;
44 (C) six and three-tenths per cent with respect to calendar quarters
45 commencing on or after July 1, 2006, and prior to July 1, 2007; (D)
46 seven per cent with respect to calendar quarters commencing on or
47 after July 1, 2007, and prior to July 1, 2013; and (E) eight and one-tenth
48 per cent with respect to calendar quarters commencing on or after July
49 1, 2013.

50 (2) Gross earnings derived from the first sale of the following
51 petroleum products within this state shall be exempt from tax: (A) Any
52 petroleum products sold for exportation from this state for sale or use

53 outside this state; (B) the product designated by the American Society
54 for Testing and Materials as "Specification for Heating Oil D396-69",
55 commonly known as number 2 heating oil, to be used exclusively for
56 heating purposes or to be used in a commercial fishing vessel, which
57 vessel qualifies for an exemption pursuant to section 12-412; (C)
58 kerosene, commonly known as number 1 oil, to be used exclusively for
59 heating purposes, provided delivery is of both number 1 and number 2
60 oil, and via a truck with a metered delivery ticket to a residential
61 dwelling or to a centrally metered system serving a group of
62 residential dwellings; (D) the product identified as propane gas, to be
63 used exclusively for heating purposes; (E) bunker fuel oil, intermediate
64 fuel, marine diesel oil and marine gas oil to be used in any vessel
65 having a displacement exceeding four thousand dead weight tons; (F)
66 for any first sale occurring prior to July 1, 2008, propane gas to be used
67 as a fuel for a motor vehicle; (G) for any first sale occurring on or after
68 July 1, 2002, grade number 6 fuel oil, as defined in regulations adopted
69 pursuant to section 16a-22c, to be used exclusively by a company
70 which, in accordance with census data contained in the Standard
71 Industrial Classification Manual, United States Office of Management
72 and Budget, 1987 edition, is included in code classifications 2000 to
73 3999, inclusive, or in Sector 31, 32 or 33 in the North American
74 Industrial Classification System United States Manual, United States
75 Office of Management and Budget, 1997 edition; (H) for any first sale
76 occurring on or after July 1, 2002, number 2 heating oil to be used
77 exclusively in a vessel primarily engaged in interstate commerce,
78 which vessel qualifies for an exemption under section 12-412; (I) for
79 any first sale occurring on or after July 1, 2000, paraffin or
80 microcrystalline waxes; (J) for any first sale occurring prior to July 1,
81 2008, petroleum products to be used as a fuel for a fuel cell, as defined
82 in subdivision (113) of section 12-412; (K) a commercial heating oil
83 blend containing not less than ten per cent of alternative fuels derived
84 from agricultural produce, food waste, waste vegetable oil or
85 municipal solid waste, including, but not limited to, biodiesel or low
86 sulfur dyed diesel fuel; [or] (L) for any first sale occurring on or after
87 July 1, 2007, diesel fuel other than diesel fuel to be used in an electric

88 generating facility to generate electricity; or (M) for any first sale
89 occurring on or after July 1, 2012, cosmetic grade mineral oil.

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2012	New section
Sec. 2	July 1, 2012	New section
Sec. 3	July 1, 2012	12-587(b)

FIN Joint Favorable Subst.