
OLR Bill Analysis

sSB 355

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

SUMMARY:

This bill allocates portions of the state's annual revenue from the petroleum products gross earnings tax to:

1. provide funds for the Underground Storage Tank Petroleum Clean-Up program and
2. cover the annual budgeted cost of buying self-propelled rail cars and designing and building rail maintenance facilities for the cars.

Starting with sales occurring on or after July 1, 2012, the bill also exempts from the tax any first sale in the state of cosmetic-grade mineral oil. Mineral oil is a common ingredient in baby lotion and cold cream, among other things. It is a byproduct of petroleum distillation and chemically similar to paraffin oil. Paraffin is already exempt.

EFFECTIVE DATE: July 1, 2012

UNDERGROUND STORAGE TANK PETROLEUM CLEAN-UP PROGRAM

The bill requires the comptroller, in each fiscal year starting with FY 13, to allocate to the Underground Storage Tank Petroleum Clean-Up program any petroleum products gross earnings tax revenue the state collected in the prior fiscal year that exceeds the projected revenue from the tax included in the legislatively adopted revenue schedule supporting the state budget for that year.

The Underground Storage Tank Petroleum Clean-Up Program

reimburses responsible parties for environmental remediation costs they incur because of leaking commercial tanks, primarily those containing motor fuel, such as diesel fuel and gasoline.

RAIL CARS AND RAIL YARD ACCOUNT

The bill establishes a separate nonlapsing rail cars and rail yard account in the Special Transportation Fund. It allocates to the new account:

1. enough annual revenue from the petroleum products gross earnings tax to cover annual amounts budgeted for (a) buying M8 self-propelled rail cars for Metro North and (b) designing and building rail yard facilities for maintaining the cars and
2. any other funds that must, by law, be deposited in it.

It requires the transportation commissioner to spend money in the account for the M8 cars and rail yard facilities.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 50 Nay 0 (04/03/2012)