

Reference: 7% Petroleum Products Gross Earnings Tax
and Mineral Oil (liquid paraffin)

February 1, 2012

Honorable Andrew Roraback
State Senator for the 30th district
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Honorable Andrew Roraback,

I am a procurement specialist for the Kimberly-Clark Corporation (K-C). In the past few years K-C has awarded business to Koster Keunen LLC in Watertown, CT for various materials. Koster Keunen's quality, service and value have met if not exceeded K-C's expectation. Koster Keunen's proximity to K-C's New Milford, CT facility has also been a logistical benefit. Recently it has come to my attention that the State of Connecticut's Department of Revenue Service is interpreting the "7% Petroleum Products Gross Earnings Tax" in a way that this tax should be applied to liquid Mineral Oil. It is my understanding that this tax is essentially a gas tax, and was not intended for materials that are low-volatile, cosmetic type grade ingredients for use in the manufacturing of consumer personal care finished products, such as K-C's New Milford, CT facility manufactures. Having this additional tax puts Koster Keunen at a competitive disadvantage relative to other options K-C has to choose from outside the State of Connecticut. This competitive disadvantage could result in the future loss of business for Koster Keunen, hence the State of Connecticut.

I ask you and the legislative body for the State of Connecticut to consider exempting mineral oil (basically a liquid paraffin) from the State of Connecticut's "7% Petroleum Products Gross Earnings Tax". Precedence has already been made with the exemption of paraffin and microcrystalline waxes from the "7% Petroleum Products Gross Earnings Tax" (C.G.C. Section 12-587(b)(2)(I), and Mineral Oil should be handled in the same manner as these exempted materials.

Thank you in advance for your consideration in this matter. If I can be of further assistance to get Mineral Oil exempted please give me a call.

Best Regards,



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cc: John Koster: Koster Keunen LLC