



March 18, 2013

Co-Chair John W. Fonfara
Co-Chair Patricia M. Widlitz
Senator Scott L. Frantz
Representative Sean J. Williams

Finance, Revenue and Bonding Committee:

We are submitting testimony in **support of S.B. 1095, AN ACT ELIMINATING THE INCREASE IN THE PETROLEUM PRODUCTS GROSS EARNINGS TAX.**

The Connecticut Energy Marketers Association (CEMA) [formerly the Independent Connecticut Petroleum Association (ICPA)] represents 576 petroleum marketers, principally made up of home heating oil dealers and gasoline distributors, located in Connecticut. CEMA members employ over 13,000 people in our state.

If the petroleum gross earnings tax is allowed to increase on July 1st motorists will see a nearly 4 cent per gallon (cpg) increase at the pump. That 4 cent increase makes Connecticut the highest gasoline tax that consumers will have to pay in New England.

When your constituents ask you why gasoline cost so much less in Massachusetts, the answer is simple – their gas taxes are 22 cents lower than ours and after the tax in CT goes up this summer it will be 26 cents less.

Here are some facts that we would like you to think about as you consider S.B. 1095:

- The average gasoline tax in the United States comes in at 48.8cpg – without S.B. 1095, CT's tax would be nearly **20 cents higher**;
- We share the largest boarder with Massachusetts where we their gas tax is 41.9cpg, which is approximately **26 cents more** than CT's, if S.B. 1095 does not pass;
- New Jersey's gas tax is 32.9cpg – without the passage of S.B. 1095, CT tax will be more than **34cpg higher** than NJ;

We are losing business to other states in the region because of our exorbitantly high gas taxes. When we are out of step with the region, we lose tax revenue and ancillary sales that would happen in our state if motorists did not seek fuel elsewhere. That means less sales taxes, cigarette taxes and all of the other taxes that are generated when we keep consumers leave our state to do business.

CEMA asks that the Finance Committee **support of S.B. 1095, AN ACT ELIMINATING THE INCREASE IN THE PETROLEUM PRODUCTS GROSS EARNINGS TAX.**

Respectfully,

A handwritten signature in black ink, appearing to read "Christian A. Herb".

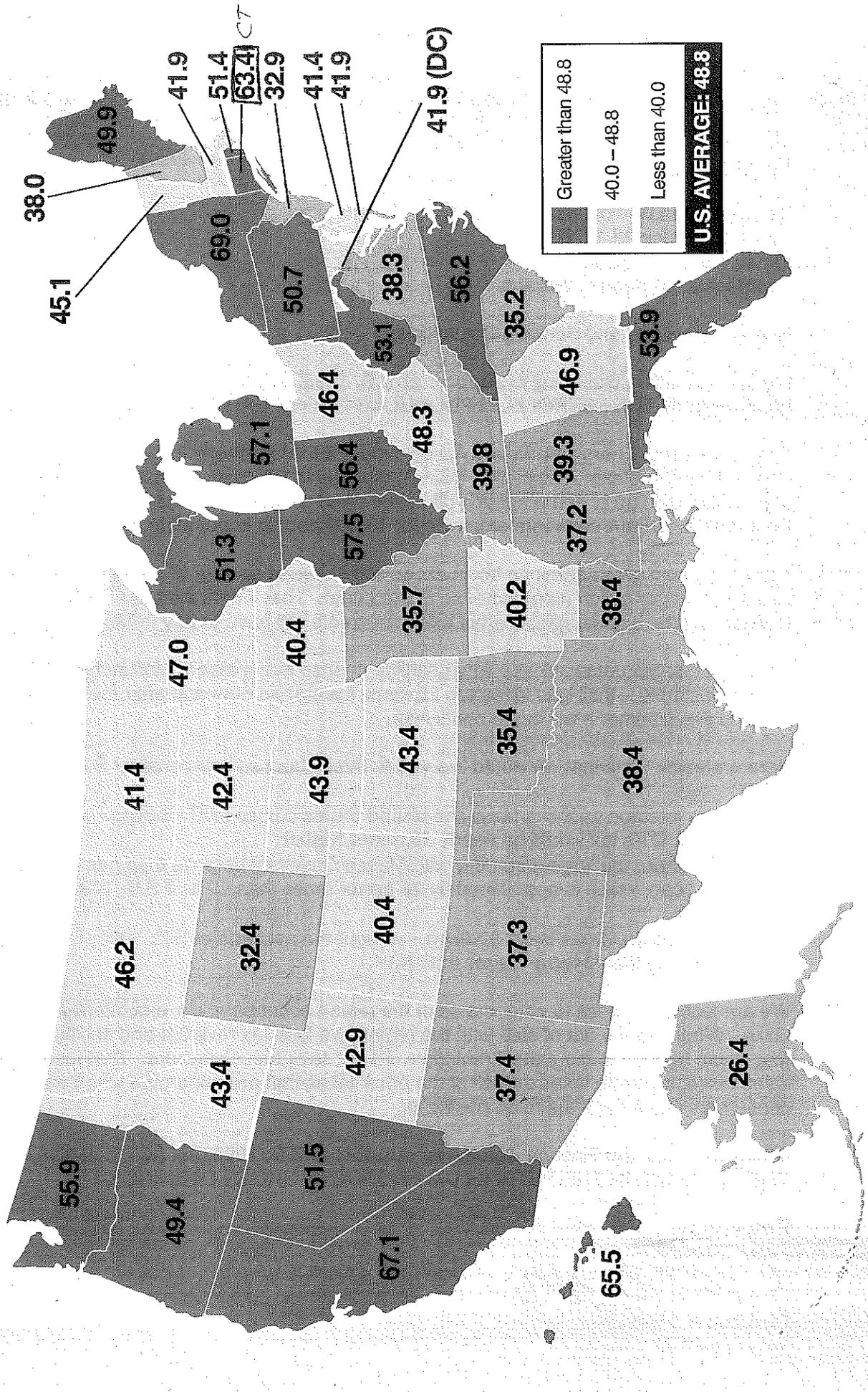
Christian A. Herb
Vice President



AMERICAN PETROLEUM INSTITUTE

GASOLINE TAXES

COMBINED LOCAL, STATE AND FEDERAL (CENTS PER GALLON)
JANUARY 2013



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