



General Assembly

February Session, 2014

**Raised Bill No. 333**

LCO No. 1883



Referred to Committee on TRANSPORTATION

Introduced by:  
(TRA)

**AN ACT EXEMPTING FROM THE GROSS EARNINGS TAX PROPANE GAS USED AS A FUEL FOR OVER-THE-ROAD VEHICLES.**

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

1 Section 1. Subdivision (2) of subsection (b) of section 12-587 of the  
2 2014 supplement to the general statutes is repealed and the following  
3 is substituted in lieu thereof (*Effective from passage*):

4 (2) Gross earnings derived from the first sale of the following  
5 petroleum products within this state shall be exempt from tax: (A) Any  
6 petroleum products sold for exportation from this state for sale or use  
7 outside this state; (B) the product designated by the American Society  
8 for Testing and Materials as "Specification for Heating Oil D396-69",  
9 commonly known as number 2 heating oil, to be used exclusively for  
10 heating purposes or to be used in a commercial fishing vessel, which  
11 vessel qualifies for an exemption pursuant to section 12-412; (C)  
12 kerosene, commonly known as number 1 oil, to be used exclusively for  
13 heating purposes, provided delivery is of both number 1 and number 2  
14 oil, and via a truck with a metered delivery ticket to a residential  
15 dwelling or to a centrally metered system serving a group of  
16 residential dwellings; (D) the product identified as propane gas, to be

17 used exclusively for heating purposes; (E) bunker fuel oil, intermediate  
 18 fuel, marine diesel oil and marine gas oil to be used in any vessel  
 19 having a displacement exceeding four thousand dead weight tons; (F)  
 20 for any first sale occurring prior to July 1, 2008, propane gas to be used  
 21 as a fuel for a motor vehicle; (G) for any first sale occurring on or after  
 22 July 1, 2002, grade number 6 fuel oil, as defined in regulations adopted  
 23 pursuant to section 16a-22c, to be used exclusively by a company  
 24 which, in accordance with census data contained in the Standard  
 25 Industrial Classification Manual, United States Office of Management  
 26 and Budget, 1987 edition, is included in code classifications 2000 to  
 27 3999, inclusive, or in Sector 31, 32 or 33 in the North American  
 28 Industrial Classification System United States Manual, United States  
 29 Office of Management and Budget, 1997 edition; (H) for any first sale  
 30 occurring on or after July 1, 2002, number 2 heating oil to be used  
 31 exclusively in a vessel primarily engaged in interstate commerce,  
 32 which vessel qualifies for an exemption under section 12-412; (I) for  
 33 any first sale occurring on or after July 1, 2000, paraffin or  
 34 microcrystalline waxes; (J) for any first sale occurring prior to July 1,  
 35 2008, petroleum products to be used as a fuel for a fuel cell, as defined  
 36 in subdivision (113) of section 12-412; (K) a commercial heating oil  
 37 blend containing not less than ten per cent of alternative fuels derived  
 38 from agricultural produce, food waste, waste vegetable oil or  
 39 municipal solid waste, including, but not limited to, biodiesel or low  
 40 sulfur dyed diesel fuel; (L) for any first sale occurring on or after July 1,  
 41 2007, diesel fuel other than diesel fuel to be used in an electric  
 42 generating facility to generate electricity; (M) for any first sale  
 43 occurring on or after July 1, 2013, cosmetic grade mineral oil; or (N)  
 44 propane gas to be used as a fuel for an over-the-road motor vehicle,  
 45 including, but not limited to, a school bus.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-587(b)(2)

**Statement of Purpose:**

To extend certain gross earnings tax exemptions to promote the use of propane as an alternative motor fuel.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*