



General Assembly
February Session, 2006

Raised Bill No. 572
LCO No. 2686



Referred to Committee on

Introduced by: **ENERGY & TECHNOLOGY**
(ET)

AN ACT CONCERNING E-85 INCENTIVES.

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

1 Section 1. Subsection (c) of section 4a-59 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2006*):

4 (c) All open market orders or contracts shall be awarded to (1) the
5 lowest responsible qualified bidder, the qualities of the articles to be
6 supplied, their conformity with the specifications, their suitability to
7 the requirements of the state government and the delivery terms being
8 taken into consideration and, at the discretion of the Commissioner of
9 Administrative Services, life-cycle costs and trade-in or resale value of
10 the articles may be considered where it appears to be in the best
11 interest of the state, (2) the highest scoring bidder in a multiple criteria
12 bid, in accordance with the criteria set forth in the bid solicitation for
13 the contract, or (3) the proposer whose proposal is deemed by the
14 awarding authority to be the most advantageous to the state, in
15 accordance with the criteria set forth in the request for proposals,
16 including price and evaluation factors. Notwithstanding any provision
17 of the general statutes to the contrary, each state agency awarding a

CONNECTICUT STATE LIBRARY
LEGISLATIVE REFERENCE SECTION

18 contract through competitive negotiation shall include price as an
 19 explicit factor in the criteria in the request for proposals and for the
 20 contract award. In considering past performance of a bidder for the
 21 purpose of determining the "lowest responsible qualified bidder" or
 22 the "highest scoring bidder in a multiple criteria bid", the
 23 commissioner shall evaluate the skill, ability and integrity of the
 24 bidder in terms of the bidder's fulfillment of past contract obligations
 25 and the bidder's experience or lack of experience in delivering
 26 supplies, materials, equipment or contractual services of the size or
 27 amount for which bids have been solicited. In determining the lowest
 28 responsible qualified bidder for the purposes of this section, the
 29 commissioner may give a price preference of up to ten per cent for (A)
 30 the purchase of goods made with recycled materials or the purchase of
 31 recyclable or remanufactured products if the commissioner determines
 32 that such preference would promote recycling or remanufacturing. As
 33 used in this subsection, "recyclable" means able to be collected,
 34 separated or otherwise recovered from the solid waste stream for
 35 reuse, or for use in the manufacture or assembly of another package or
 36 product, by means of a recycling program which is reasonably
 37 available to at least seventy-five per cent of the state's population,
 38 "remanufactured" means restored to its original function and thereby
 39 diverted from the solid waste stream by retaining the bulk of
 40 components that have been used at least once and by replacing
 41 consumable components and "remanufacturing" means any process by
 42 which a product is remanufactured; (B) the purchase of motor vehicles
 43 powered by a clean alternative fuel; or (C) the purchase of motor
 44 vehicles powered by fuel other than a clean alternative fuel and
 45 conversion equipment to convert such motor vehicles allowing the
 46 vehicles to be powered by either the exclusive use of clean alternative
 47 fuel or dual use of a clean alternative fuel and a fuel other than a clean
 48 alternative fuel. As used in this subsection, "clean alternative fuel" shall
 49 mean natural gas, [or] electricity when used as a motor vehicle fuel or
 50 a motor vehicle fuel blend of eighty-five per cent ethanol and fifteen
 51 per cent gasoline. All other factors being equal, preference shall be

52 given to supplies, materials and equipment produced, assembled or
 53 manufactured in the state and services originating and provided in the
 54 state. If any such bidder refuses to accept, within ten days, a contract
 55 awarded to such bidder, such contract may be awarded to the next
 56 lowest responsible qualified bidder or the next highest scoring bidder
 57 in a multiple criteria bid, whichever is applicable, and so on until such
 58 contract is awarded and accepted. If any such proposer refuses to
 59 accept, within ten days, a contract awarded to such proposer, such
 60 contract shall be awarded to the next most advantageous proposer,
 61 and so on until the contract is awarded and accepted. There shall be a
 62 written evaluation made of each bid. This evaluation shall identify the
 63 vendors and their respective costs and prices, document the reason
 64 why any vendor is deemed to be nonresponsive and recommend a
 65 vendor for award. A contract valued at one million dollars or more
 66 shall be awarded to a bidder other than the lowest responsible
 67 qualified bidder or the highest scoring bidder in a multiple criteria bid,
 68 whichever is applicable, only with written approval signed by the
 69 Commissioner of Administrative Services and by the Comptroller. The
 70 commissioner shall submit to the joint standing committee of the
 71 General Assembly having cognizance of matters relating to
 72 government administration, the State Auditors and the Comptroller,
 73 an annual report of all awards made pursuant to the provisions of this
 74 section.

75 Sec. 2. Subsection (c) of section 12-217i of the general statutes is
 76 repealed and the following is substituted in lieu thereof (*Effective July*
 77 *1, 2006*):

78 (c) If the amount of any credit provided in this section exceeds the
 79 amount of tax otherwise payable in the income year or calendar
 80 quarter, as the case may be, in which such expenditure was paid or
 81 incurred, the balance of any such credit remaining may be taken in any
 82 of the three succeeding income years or twelve succeeding calendar
 83 quarters, respectively. Any taxpayer allowed such a tax credit against
 84 the tax imposed under this chapter, chapter 209, 210, 211 or 212 shall

85 not be allowed such credit under more than one of said chapters. As
 86 used in this section "clean alternative fuel" [shall mean] means
 87 compressed natural gas, liquefied petroleum gas, liquefied natural gas,
 88 [or] electricity when used as a motor vehicle fuel or a motor vehicle
 89 fuel blend of eighty-five per cent ethanol and fifteen per cent gasoline
 90 and "incremental cost" shall mean the difference between the purchase
 91 price of a vehicle which is exclusively powered by a clean alternative
 92 fuel and the manufacturer's suggested retail price of a comparably
 93 equipped vehicle which is not so powered.

94 Sec. 3. Subdivision (67) of section 12-412 of the 2006 supplement to
 95 the general statutes is repealed and the following is substituted in lieu
 96 thereof (*Effective July 1, 2006*):

97 (67) Sales of and the storage, use or other consumption, prior to July
 98 1, 2008, of a new motor vehicle which is exclusively powered by a
 99 clean alternative fuel. As used in this subdivision and subdivisions (68)
 100 and (69) of this section, "clean alternative fuel" shall mean natural gas,
 101 hydrogen, propane, [or] electricity when used as a motor vehicle fuel
 102 [or propane when used as a motor vehicle fuel] or a motor fuel blend
 103 of eighty-five per cent ethanol and fifteen per cent gasoline if such a
 104 vehicle meets the federal fleet emissions standards under the federal
 105 Clean Air Act or any emissions standards adopted by the
 106 Commissioner of Environmental Protection as part of the state's
 107 implementation plan under said act.

108 Sec. 4. Section 12-458f of the general statutes is repealed and the
 109 following is substituted in lieu thereof (*Effective July 1, 2006*):

110 On and after July 1, 1994, and until July 1, 2008, compressed natural
 111 gas, liquefied petroleum gas, [and] liquefied natural gas or a motor
 112 fuel blend of eighty-five per cent ethanol and fifteen per cent gasoline
 113 shall not be subject to the tax imposed under section 12-458.

114 Sec. 5. Subsection (a) of section 32-23z of the general statutes is
 115 repealed and the following is substituted in lieu thereof (*Effective July*

1067

116 1, 2006):

117 (a) A Business Environmental Clean-Up Revolving Loan Fund is
118 created. The state, acting through the Connecticut Development
119 Authority, may provide loans or lines of credit from the Business
120 Environmental Clean-Up Revolving Loan Fund (1) to businesses for
121 the purposes of the containment and removal or mitigation of the
122 discharge, spillage, uncontrolled loss, seepage or filtration of oil or
123 petroleum or chemical liquids or solid, liquid or gaseous products or
124 hazardous wastes; and (2) to businesses which convert gas and diesel-
125 powered motor vehicles to vehicles powered by either gas or diesel
126 fuel and a clean-burning alternative fuel, including but not limited to,
127 compressed natural gas, [or] electricity or a motor fuel blend of eighty-
128 five per cent ethanol and fifteen per cent gasoline. Loans or lines of
129 credit under subdivision (2) of this subsection shall be for working or
130 development capital. For the purposes of this section, "business" means
131 any business which (A) if applying for assistance under subdivision (1)
132 of this subsection, has been in business for at least one year prior to the
133 date of application for its loan or line of credit or, if applying for
134 assistance under subdivision (2) of this subsection, has been in
135 business for at least two years prior to such application date, (B) has
136 gross revenues, including revenues of affiliates, less than three million
137 dollars in the most recent fiscal year before the date of the application
138 or has less than one hundred fifty employees and, if applying for
139 assistance under subdivision (2) of this subsection, derived at least
140 seventy-five per cent of its gross revenues in such year from motor
141 vehicle fuel conversion activities, (C) if applying for assistance under
142 subdivision (1) of this subsection, has been doing business and has
143 maintained its principal office and place of business in the state for a
144 period of at least one year prior to the date of its application for
145 assistance under this section or, if applying for assistance under
146 subdivision (2) of this subsection, has been doing business and has
147 maintained such office and business in the state for a period of at least
148 two years prior to such application date, and (D) demonstrates, to the
149 satisfaction of the authority and in its sole discretion, that it is unable

150 to obtain financing from conventional sources on reasonable terms or
151 in reasonable amounts. The Connecticut Development Authority shall
152 charge and collect interest on each such loan or line of credit at a rate
153 to be determined in accordance with regulations adopted pursuant to
154 subsection (b) of this section. The total amount of such loans or lines of
155 credit provided to any single business in any period of twelve
156 consecutive months shall not exceed two hundred thousand dollars.
157 Payments made by businesses on all loans and lines of credit paid to
158 the Treasurer for deposit in the Business Environmental Clean-Up
159 Revolving Loan Fund shall be credited to such fund.

This act shall take effect as follows and shall amend the following sections:

Section 1	<u>July 1, 2006</u>	4a-59(c)
Sec. 2	<u>July 1, 2006</u>	12-217i(c)
Sec. 3	<u>July 1, 2006</u>	12-412(67)
Sec. 4	<u>July 1, 2006</u>	12-458f
Sec. 5	<u>July 1, 2006</u>	32-23z(a)

Statement of Purpose:

To create economic incentives for the use of a motor fuel blend of eighty-five per cent ethanol and fifteen per cent gasoline, also known as E-85.

[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.]



Senate

CONNECTICUT STATE LIBRARY
LEGISLATIVE REFERENCE SECTION

General Assembly

File No. 165

February Session, 2006

Senate Bill No. 572

Senate, March 28, 2006

The Committee on Energy and Technology reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING E-85 INCENTIVES.

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

1 Section 1. Subsection (c) of section 4a-59 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2006*):

4 (c) All open market orders or contracts shall be awarded to (1) the
5 lowest responsible qualified bidder, the qualities of the articles to be
6 supplied, their conformity with the specifications, their suitability to
7 the requirements of the state government and the delivery terms being
8 taken into consideration and, at the discretion of the Commissioner of
9 Administrative Services, life-cycle costs and trade-in or resale value of
10 the articles may be considered where it appears to be in the best
11 interest of the state, (2) the highest scoring bidder in a multiple criteria
12 bid, in accordance with the criteria set forth in the bid solicitation for
13 the contract, or (3) the proposer whose proposal is deemed by the
14 awarding authority to be the most advantageous to the state, in
15 accordance with the criteria set forth in the request for proposals,

16 including price and evaluation factors. Notwithstanding any provision
17 of the general statutes to the contrary, each state agency awarding a
18 contract through competitive negotiation shall include price as an
19 explicit factor in the criteria in the request for proposals and for the
20 contract award. In considering past performance of a bidder for the
21 purpose of determining the "lowest responsible qualified bidder" or
22 the "highest scoring bidder in a multiple criteria bid", the
23 commissioner shall evaluate the skill, ability and integrity of the
24 bidder in terms of the bidder's fulfillment of past contract obligations
25 and the bidder's experience or lack of experience in delivering
26 supplies, materials, equipment or contractual services of the size or
27 amount for which bids have been solicited. In determining the lowest
28 responsible qualified bidder for the purposes of this section, the
29 commissioner may give a price preference of up to ten per cent for (A)
30 the purchase of goods made with recycled materials or the purchase of
31 recyclable or remanufactured products if the commissioner determines
32 that such preference would promote recycling or remanufacturing. As
33 used in this subsection, "recyclable" means able to be collected,
34 separated or otherwise recovered from the solid waste stream for
35 reuse, or for use in the manufacture or assembly of another package or
36 product, by means of a recycling program which is reasonably
37 available to at least seventy-five per cent of the state's population,
38 "remanufactured" means restored to its original function and thereby
39 diverted from the solid waste stream by retaining the bulk of
40 components that have been used at least once and by replacing
41 consumable components and "remanufacturing" means any process by
42 which a product is remanufactured; (B) the purchase of motor vehicles
43 powered by a clean alternative fuel; or (C) the purchase of motor
44 vehicles powered by fuel other than a clean alternative fuel and
45 conversion equipment to convert such motor vehicles allowing the
46 vehicles to be powered by either the exclusive use of clean alternative
47 fuel or dual use of a clean alternative fuel and a fuel other than a clean
48 alternative fuel. As used in this subsection, "clean alternative fuel" shall
49 mean natural gas, [or] electricity when used as a motor vehicle fuel or
50 a motor vehicle fuel blend of eighty-five per cent ethanol and fifteen

51 per cent gasoline. All other factors being equal, preference shall be
 52 given to supplies, materials and equipment produced, assembled or
 53 manufactured in the state and services originating and provided in the
 54 state. If any such bidder refuses to accept, within ten days, a contract
 55 awarded to such bidder, such contract may be awarded to the next
 56 lowest responsible qualified bidder or the next highest scoring bidder
 57 in a multiple criteria bid, whichever is applicable, and so on until such
 58 contract is awarded and accepted. If any such proposer refuses to
 59 accept, within ten days, a contract awarded to such proposer, such
 60 contract shall be awarded to the next most advantageous proposer,
 61 and so on until the contract is awarded and accepted. There shall be a
 62 written evaluation made of each bid. This evaluation shall identify the
 63 vendors and their respective costs and prices, document the reason
 64 why any vendor is deemed to be nonresponsive and recommend a
 65 vendor for award. A contract valued at one million dollars or more
 66 shall be awarded to a bidder other than the lowest responsible
 67 qualified bidder or the highest scoring bidder in a multiple criteria bid,
 68 whichever is applicable, only with written approval signed by the
 69 Commissioner of Administrative Services and by the Comptroller. The
 70 commissioner shall submit to the joint standing committee of the
 71 General Assembly having cognizance of matters relating to
 72 government administration, the State Auditors and the Comptroller,
 73 an annual report of all awards made pursuant to the provisions of this
 74 section.

75 Sec. 2. Subsection (c) of section 12-217i of the general statutes is
 76 repealed and the following is substituted in lieu thereof (*Effective July*
 77 *1, 2006*):

78 (c) If the amount of any credit provided in this section exceeds the
 79 amount of tax otherwise payable in the income year or calendar
 80 quarter, as the case may be, in which such expenditure was paid or
 81 incurred, the balance of any such credit remaining may be taken in any
 82 of the three succeeding income years or twelve succeeding calendar
 83 quarters, respectively. Any taxpayer allowed such a tax credit against
 84 the tax imposed under this chapter, chapter 209, 210, 211 or 212 shall

85 not be allowed such credit under more than one of said chapters. As
86 used in this section "clean alternative fuel" [shall mean] means
87 compressed natural gas, liquefied petroleum gas, liquefied natural gas,
88 [or] electricity when used as a motor vehicle fuel or a motor vehicle
89 fuel blend of eighty-five per cent ethanol and fifteen per cent gasoline
90 and "incremental cost" shall mean the difference between the purchase
91 price of a vehicle which is exclusively powered by a clean alternative
92 fuel and the manufacturer's suggested retail price of a comparably
93 equipped vehicle which is not so powered.

94 Sec. 3. Subdivision (67) of section 12-412 of the 2006 supplement to
95 the general statutes is repealed and the following is substituted in lieu
96 thereof (*Effective July 1, 2006*):

97 (67) Sales of and the storage, use or other consumption, prior to July
98 1, 2008, of a new motor vehicle which is exclusively powered by a
99 clean alternative fuel. As used in this subdivision and subdivisions (68)
100 and (69) of this section, "clean alternative fuel" shall mean natural gas,
101 hydrogen, propane, [or] electricity when used as a motor vehicle fuel
102 [or propane when used as a motor vehicle fuel] or a motor fuel blend
103 of eighty-five per cent ethanol and fifteen per cent gasoline if such a
104 vehicle meets the federal fleet emissions standards under the federal
105 Clean Air Act or any emissions standards adopted by the
106 Commissioner of Environmental Protection as part of the state's
107 implementation plan under said act.

108 Sec. 4. Section 12-458f of the general statutes is repealed and the
109 following is substituted in lieu thereof (*Effective July 1, 2006*):

110 On and after July 1, 1994, and until July 1, 2008, compressed natural
111 gas, liquefied petroleum gas, [and] liquefied natural gas or a motor
112 fuel blend of eighty-five per cent ethanol and fifteen per cent gasoline
113 shall not be subject to the tax imposed under section 12-458.

114 Sec. 5. Subsection (a) of section 32-23z of the general statutes is
115 repealed and the following is substituted in lieu thereof (*Effective July*
116 *1, 2006*):

106

117 (a) A Business Environmental Clean-Up Revolving Loan Fund is
 118 created. The state, acting through the Connecticut Development
 119 Authority, may provide loans or lines of credit from the Business
 120 Environmental Clean-Up Revolving Loan Fund (1) to businesses for
 121 the purposes of the containment and removal or mitigation of the
 122 discharge, spillage, uncontrolled loss, seepage or filtration of oil or
 123 petroleum or chemical liquids or solid, liquid or gaseous products or
 124 hazardous wastes, and (2) to businesses which convert gas and diesel-
 125 powered motor vehicles to vehicles powered by either gas or diesel
 126 fuel and a clean-burning alternative fuel, including but not limited to,
 127 compressed natural gas, [or] electricity or a motor fuel blend of eighty-
 128 five per cent ethanol and fifteen per cent gasoline. Loans or lines of
 129 credit under subdivision (2) of this subsection shall be for working or
 130 development capital. For the purposes of this section, "business" means
 131 any business which (A) if applying for assistance under subdivision (1)
 132 of this subsection, has been in business for at least one year prior to the
 133 date of application for its loan or line of credit or, if applying for
 134 assistance under subdivision (2) of this subsection, has been in
 135 business for at least two years prior to such application date, (B) has
 136 gross revenues, including revenues of affiliates, less than three million
 137 dollars in the most recent fiscal year before the date of the application
 138 or has less than one hundred fifty employees and, if applying for
 139 assistance under subdivision (2) of this subsection, derived at least
 140 seventy-five per cent of its gross revenues in such year from motor
 141 vehicle fuel conversion activities, (C) if applying for assistance under
 142 subdivision (1) of this subsection, has been doing business and has
 143 maintained its principal office and place of business in the state for a
 144 period of at least one year prior to the date of its application for
 145 assistance under this section or, if applying for assistance under
 146 subdivision (2) of this subsection, has been doing business and has
 147 maintained such office and business in the state for a period of at least
 148 two years prior to such application date, and (D) demonstrates, to the
 149 satisfaction of the authority and in its sole discretion, that it is unable
 150 to obtain financing from conventional sources on reasonable terms or
 151 in reasonable amounts. The Connecticut Development Authority shall

152 charge and collect interest on each such loan or line of credit at a rate
153 to be determined in accordance with regulations adopted pursuant to
154 subsection (b) of this section. The total amount of such loans or lines of
155 credit provided to any single business in any period of twelve
156 consecutive months shall not exceed two hundred thousand dollars.
157 Payments made by businesses on all loans and lines of credit paid to
158 the Treasurer for deposit in the Business Environmental Clean-Up
159 Revolving Loan Fund shall be credited to such fund.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2006</i>	4a-59(c)
Sec. 2	<i>July 1, 2006</i>	12-217i(c)
Sec. 3	<i>July 1, 2006</i>	12-412(67)
Sec. 4	<i>July 1, 2006</i>	12-458f
Sec. 5	<i>July 1, 2006</i>	32-23z(a)

ET *Joint Favorable*

[106]

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Department of Revenue Services	GF/TF - None	See Below	See Below
CT. Development Auth. (quasi-public)	See Below	See Below	See Below
Dept. of Administrative Services	GF - None	None	None

Note: GF=General Fund, TF=Transportation Fund

Municipal Impact: None

Explanation

The bill extends various existing tax incentives (business tax, sales tax, and motor fuels tax) that encourage the use of alternative power vehicles and alternative fuel to E-85. The extension of these tax benefits is not anticipated to result in a fiscal impact in the next few years because:

The tax incentives (§12-217i & §12-412(67)) for alternative power vehicles are limited to vehicles that are exclusively alternative sources. Vehicles that use E-85 can also use conventional fuel and therefore would not qualify for these tax incentives;

Currently, E-85 is not commercially available in Connecticut (it is only available at two DOT filling stations for state vehicles). Therefore, extending the motor fuels tax exemption for alternative fuels (§12-458f) to E-85 is not anticipated to result in a loss of revenue to the Special Transportation Fund.

The bill also allows the Department of Administrative Services (DAS) to give a price preference of up to 10% for E-85 vehicles. This provision is not anticipated to have a fiscal impact on DAS because the language is permissive and a DAS request for proposal would

specifically ask for bids on E-85 vehicles; therefore the 10% price preference would not be a factor.

The bill expands the use of the Business Environmental Clean-Up Revolving Loan Fund administered by the Connecticut Development Authority (CDA). This fund is currently not capitalized and the program/fund has not been utilized in over a decade.

The Out Years

The bill may result in a significant annual revenue loss to the Special Transportation Fund if in the future E-85 fuel becomes commercially available and becomes a major source of motor fuel in Connecticut.

[106]

**OLR Bill Analysis
SB 572**

AN ACT CONCERNING E-85 INCENTIVES.

SUMMARY:

This bill establishes tax benefits and other incentives to promote the use of E-85, a motor vehicle fuel that consists of 85% ethanol (grain alcohol) and 15% gasoline.

EFFECTIVE DATE: July 1, 2006

TAX BENEFITS

The bill exempts, until July 1, 2008, E-85 from the motor vehicle fuels (gasoline) tax. It exempts new vehicles that are exclusively powered by E-85 from the sales tax. Many of the vehicles that can use E-85 can also use conventional gasoline, and it is unclear whether the tax benefits apply to these vehicles.

The bill also provides:

1. a credit against the corporation business, air carriers, railroad company, cable TV, or utility company tax equal to 10% of the amount paid for the incremental cost of purchasing a vehicle that is exclusively powered by E-85; and
2. a credit against the corporation business tax equal to 50% of the cost of buying and installing conversion equipment to allow a conventional vehicle to use E-85.

The credits apply to income years starting before January 1, 2008.

OTHER INCENTIVES

The bill allows the Department of Administrative Services to give a

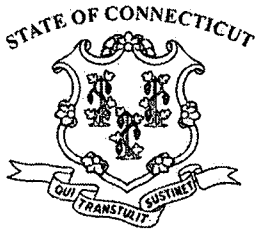
price preference of up to 10% for (1) vehicles powered by E-85 and (2) conventional vehicles and the equipment to convert them to permit the use of E-85, if the vehicle meets applicable federal or state emission standards. It also makes businesses that convert conventional vehicles to allow them to use E-85 or gasoline or diesel eligible for the Business Environmental Clean-Up Revolving Loan Program administered by the Connecticut Development Authority.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 18 Nay 0 (03/14/2006)



General Assembly

[SENATE] Amendment

February Session, 2006

LCO No. 4376



Offered by:
SEN. KISSEL, 7th Dist.

To: Senate Bill No. 572

File No. 165

Cal. No. 145

"AN ACT CONCERNING E-85 INCENTIVES."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subdivision (2) of subsection (a) of section 12-458 of the
4 general statutes is repealed and the following is substituted in lieu
5 thereof (*Effective July 1, 2006*):

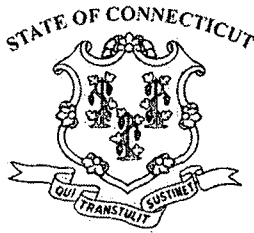
6 (2) On said date and coincident with the filing of such return each
7 distributor shall pay to the commissioner for the account of the
8 purchaser or consumer a tax (A) on each gallon of such fuels sold or
9 used in this state during the preceding calendar month of twenty-six
10 cents on and after January 1, 1992, twenty-eight cents on and after
11 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents
12 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,
13 thirty-two cents on and after January 1, 1995, thirty-three cents on and
14 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-
15 five cents on and after January 1, 1996, thirty-six cents on and after

16 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight
17 cents on and after October 1, 1996, thirty-nine cents on and after
18 January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two
19 cents on and after July 1, 1998, [and] twenty-five cents on and after July
20 1, 2000, and twenty cents on and after July 1, 2006; and (B) in lieu of
21 said taxes, each distributor shall pay a tax on each gallon of gasohol, as
22 defined in section 14-1, as amended, sold or used in this state during
23 such preceding calendar month, of twenty-five cents on and after
24 January 1, 1992, twenty-seven cents on and after January 1, 1993,
25 twenty-eight cents on and after July 1, 1993, twenty-nine cents on and
26 after January 1, 1994, thirty cents on and after July 1, 1994, thirty-one
27 cents on and after January 1, 1995, thirty-two cents on and after July 1,
28 1995, thirty-three cents on and after October 1, 1995, thirty-four cents
29 on and after January 1, 1996, thirty-five cents on and after April 1,
30 1996, thirty-six cents on and after July 1, 1996, thirty-seven cents on
31 and after October 1, 1996, thirty-eight cents on and after January 1,
32 1997, thirty-five cents on and after July 1, 1997, thirty-one cents on and
33 after July 1, 1998, and twenty-four cents on and after July 1, 2000, [and]
34 twenty-five cents on and after July 1, 2004, and twenty cents on and
35 after July 1, 2006; and (C) in lieu of such rate, on each gallon of diesel
36 fuel, propane or natural gas sold or used in this state during such
37 preceding calendar month, of eighteen cents on and after September 1,
38 1991, [and] twenty-six cents on and after August 1, 2002, and twenty-
39 one cents on and after July 1, 2006."

SENATE AMENDMENT

Calendar: ~~149~~
LCO: ~~4376~~
Bill: ~~572~~

ADOPTED voice REJECTED voice
ADOPTED roll REJECTED roll



General Assembly

~~(SENATE)~~ Amendment

February Session, 2006

LCO No. 4379



Offered by:
SEN. KISSEL, 7th Dist.

To: Senate Bill No. 572

File No. 165

Cal. No. 145

"AN ACT CONCERNING E-85 INCENTIVES."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsections (b) and (c) of section 12-587 of the 2006
4 supplement to the general statutes are repealed and the following is
5 substituted in lieu thereof (*Effective July 1, 2006*):

6 (b) (1) Except as otherwise provided in subdivision (2) of this
7 subsection, any company which is engaged in the refining or
8 distribution, or both, of petroleum products and which distributes
9 such products in this state shall pay a quarterly tax on its gross
10 earnings derived from the first sale of petroleum products within this
11 state. Each company shall on or before the last day of the month next
12 succeeding each quarterly period render to the commissioner a return
13 on forms prescribed or furnished by the commissioner and signed by
14 the person performing the duties of treasurer or an authorized agent or
15 officer, including the amount of gross earnings derived from the first

16 sale of petroleum products within this state for the quarterly period
 17 and such other facts as the commissioner may require for the purpose
 18 of making any computation required by this chapter. Except as
 19 otherwise provided in subdivision (3) of this subsection, the rate of tax
 20 shall be (A) five per cent with respect to calendar quarters prior to July
 21 1, 2005; (B) five and eight-tenths per cent with respect to calendar
 22 quarters commencing on or after July 1, 2005, and prior to July 1, [2006]
 23 2007; (C) six and three-tenths per cent with respect to calendar quarters
 24 commencing on or after July 1, [2006] 2007, and prior to July 1, [2007]
 25 2008; (D) [seven] six and eight-tenths per cent with respect to calendar
 26 quarters commencing on or after July 1, [2007] 2008, and prior to July 1,
 27 [2008] 2013; and (E) seven and [one-half] three-tenths per cent with
 28 respect to calendar quarters commencing on or after July 1, [2008] 2013.
 29 [, and prior to July 1, 2013; and (F) eight and one-tenth per cent with
 30 respect to calendar quarters commencing on or after July 1, 2013.]

31 (2) Gross earnings derived from the first sale of the following
 32 petroleum products within this state shall be exempt from tax: (A) Any
 33 petroleum products sold for exportation from this state for sale or use
 34 outside this state; (B) the product designated by the American Society
 35 for Testing and Materials as "Specification for Heating Oil D396-69",
 36 commonly known as number 2 heating oil, to be used exclusively for
 37 heating purposes or to be used in a commercial fishing vessel, which
 38 vessel qualifies for an exemption pursuant to section 12-412, as
 39 amended; (C) kerosene, commonly known as number 1 oil, to be used
 40 exclusively for heating purposes, provided delivery is of both number
 41 1 and number 2 oil, and via a truck with a metered delivery ticket to a
 42 residential dwelling or to a centrally metered system serving a group
 43 of residential dwellings; (D) the product identified as propane gas, to
 44 be used exclusively for heating purposes; (E) bunker fuel oil,
 45 intermediate fuel, marine diesel oil and marine gas oil to be used in
 46 any vessel having a displacement exceeding four thousand dead
 47 weight tons; (F) for any first sale occurring prior to July 1, 2008,
 48 propane gas to be used as a fuel for a motor vehicle; (G) for any first
 49 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as

50 defined in regulations adopted pursuant to section 16a-22c, to be used
51 exclusively by a company which, in accordance with census data
52 contained in the Standard Industrial Classification Manual, United
53 States Office of Management and Budget, 1987 edition, is included in
54 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in
55 the North American Industrial Classification System United States
56 Manual, United States Office of Management and Budget, 1997 edition;
57 (H) for any first sale occurring on or after July 1, 2002, number 2
58 heating oil to be used exclusively in a vessel primarily engaged in
59 interstate commerce, which vessel qualifies for an exemption under
60 section 12-412, as amended; (I) for any first sale occurring on or after
61 July 1, 2000, paraffin or microcrystalline waxes; or (J) for any first sale
62 occurring prior to July 1, 2008, petroleum products to be used as a fuel
63 for a fuel cell, as defined in subdivision (113) of section 12-412, as
64 amended.

65 (3) The rate of tax on gross earnings derived from the first sale of
66 grade number 6 fuel oil, as defined in regulations adopted pursuant to
67 section 16a-22c, to be used exclusively by a company which, in
68 accordance with census data contained in the Standard Industrial
69 Classification Manual, United States Office of Management and
70 Budget, 1987 edition, is included in code classifications 2000 to 3999,
71 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
72 Classification System United States Manual, United States Office of
73 Management and Budget, 1997 edition, or number 2 heating oil used
74 exclusively in a vessel primarily engaged in interstate commerce,
75 which vessel qualifies for an exemption under section 12-412, as
76 amended, shall be: (A) Four per cent with respect to calendar quarters
77 commencing on or after July 1, 1998, and prior to July 1, 1999; (B) three
78 per cent with respect to calendar quarters commencing on or after July
79 1, 1999, and prior to July 1, 2000; (C) two per cent with respect to
80 calendar quarters commencing on or after July 1, 2000, and prior to
81 July 1, 2001; and (D) one per cent with respect to calendar quarters
82 commencing on or after July 1, 2001, and prior to July 1, 2002.

83 (c) (1) Any company which imports or causes to be imported into

84 this state petroleum products for sale, use or consumption in this state,
85 other than a company subject to and having paid the tax on such
86 company's gross earnings from first sales of petroleum products
87 within this state, which earnings include gross earnings attributable to
88 such imported or caused to be imported petroleum products, in
89 accordance with subsection (b) of this section, shall pay a quarterly tax
90 on the consideration given or contracted to be given for such
91 petroleum product if the consideration given or contracted to be given
92 for all such deliveries during the quarterly period for which such tax is
93 to be paid exceeds three thousand dollars. Except as otherwise
94 provided in subdivision (3) of this subsection, the rate of tax shall be
95 (A) five per cent with respect to calendar quarters commencing prior to
96 July 1, 2005; (B) five and eight-tenths per cent with respect to calendar
97 quarters commencing on or after July 1, 2005, and prior to July 1, [2006]
98 2007; (C) six and three-tenths per cent with respect to calendar quarters
99 commencing on or after July 1, [2006] 2007, and prior to July 1, [2007]
100 2008; (D) [seven] six and eight-tenths per cent with respect to calendar
101 quarters commencing on or after July 1, [2007] 2008, and prior to July 1,
102 [2008] 2013; and (E) seven and [one-half] three-tenths per cent with
103 respect to calendar quarters commencing on or after July 1, [2008] 2013.
104 [, and prior to July 1, 2013; and (F) eight and one-tenth per cent with
105 respect to calendar quarters commencing on or after July 1, 2013.] Fuel
106 in the fuel supply tanks of a motor vehicle, which fuel tanks are
107 directly connected to the engine, shall not be considered a delivery for
108 the purposes of this subsection.

109 (2) Consideration given or contracted to be given for petroleum
110 products, gross earnings from the first sale of which are exempt from
111 tax under subdivision (2) of subsection (b) of this section, shall be
112 exempt from tax.

113 (3) The rate of tax on consideration given or contracted to be given
114 for grade number 6 fuel oil, as defined in regulations adopted
115 pursuant to section 16a-22c, to be used exclusively by a company
116 which, in accordance with census data contained in the Standard
117 Industrial Classification Manual, United States Office of Management

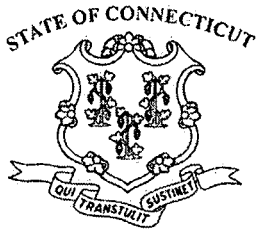
118 and Budget, 1987 edition, is included in code classifications 2000 to
119 3999, inclusive, or in Sector 31, 32 or 33 in the North American
120 Industrial Classification System United States Manual, United States
121 Office of Management and Budget, 1997 edition, or number 2 heating
122 oil used exclusively in a vessel primarily engaged in interstate
123 commerce, which vessel qualifies for an exemption under section 12-
124 412, as amended, shall be: (A) Four per cent with respect to calendar
125 quarters commencing on or after July 1, 1998, and prior to July 1, 1999;
126 (B) three per cent with respect to calendar quarters commencing on or
127 after July 1, 1999, and prior to July 1, 2000; (C) two per cent with
128 respect to calendar quarters commencing on or after July 1, 2000, and
129 prior to July 1, 2001; and (D) one per cent with respect to calendar
130 quarters commencing on or after July 1, 2001, and prior to July 1, 2002."

SENATE AMENDMENT

Calendar: 145
LCO: 4379
Bill: 572

ADOPTED voice REJECTED voice

ADOPTED roll REJECTED roll



General Assembly

[SENATE] Amendment

February Session, 2006

LCO No. 5251



Offered by:

SEN. FONFARA, 1st Dist.

To: Senate Bill No. 572

File No. 165

Cal. No. 145

"AN ACT CONCERNING E-85 INCENTIVES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 4 of public act 05-2 of the October 25 special
4 session, as amended by section 2 of public act 05-4 of the October 25
5 special session, is repealed and the following is substituted in lieu
6 thereof (*Effective from passage*):

7 (a) For purposes of this section, "residential weatherization
8 products" means programmable thermostats, window film, caulking,
9 window and door weather strips, insulation, water heater blankets,
10 [water heaters,] natural gas and propane furnaces and boilers that
11 meet the federal Energy Star standard, windows and doors that meet
12 the federal Energy Star standard, oil furnaces and boilers that are not
13 less than [eighty-five] eighty-four per cent efficient, compact
14 fluorescent light bulbs and [ground-based] ground-source heat pumps
15 that meet the minimum federal energy efficiency rating.

16 (b) Notwithstanding the provisions of the general statutes, from
17 [November 25, 2005, to April 1, 2006] the effective date of this section
18 to March 31, 2007, the provisions of chapter 219 of the general statutes
19 shall not apply to sales of any residential weatherization products.

20 Sec. 2. Subdivision (57) of section 12-81 of the 2006 supplement to
21 the general statutes is repealed and the following is substituted in lieu
22 thereof (*Effective October 1, 2006, and applicable to assessment years*
23 *commencing on or after October 1, 2006*):

24 (57) (a) Subject to authorization of the exemption by ordinance in
25 any municipality, [any Class I renewable energy source, as defined in
26 section 16-1, or] (A) any hydropower facility described in subdivision
27 (27) of [said] section 16-1, as amended, installed for the generation of
28 electricity for private residential use, provided such installation occurs
29 on or after October 1, 1977, and further provided such installation is
30 for a single family dwelling or multifamily dwelling consisting of two
31 to four units, (B) any Class I renewable energy source, as defined in
32 section 16-1 of the 2006 supplement to the general statutes, or (C) any
33 passive or active solar water or space heating system;

34 (b) Any person claiming the exemption provided in this subdivision
35 for any assessment year shall, on or before the first day of November
36 in such assessment year, file with the assessor or board of assessors in
37 the town in which such hydropower facility, Class I renewable energy
38 source, or passive or active solar water or space heating system is
39 located, written application claiming such exemption. Failure to file
40 such application in the manner and form as provided by such assessor
41 or board within the time limit prescribed shall constitute a waiver of
42 the right to such exemption for such assessment year. Such application
43 shall not be required for any assessment year following that for which
44 the initial application is filed, provided if such hydropower facility,
45 Class I renewable energy source, or passive or active solar water or
46 space heating system is altered in a manner which would require a
47 building permit, such alteration shall be deemed a waiver of the right
48 to such exemption until a new application, applicable with respect to

49 such altered source, is filed and the right to such exemption is
50 established as required initially.

51 Sec. 3. Subdivision (63) of section 12-81 of the 2006 supplement to
52 the general statutes is repealed and the following is substituted in lieu
53 thereof (*Effective October 1, 2006, and applicable to assessment years*
54 *commencing on or after October 1, 2006*):

55 (63) (a) Subject to authorization of the exemption by ordinance in
56 any municipality and to the provisions of subparagraph (b) of this
57 subdivision, [any solar energy electricity generating system which is
58 not eligible for exemption under subdivision (57) of this section,] any
59 cogeneration system [, or both,] installed on or after July 1, 1981, and
60 before October 1, 2006. The ordinance shall establish the number of
61 years that a system will be exempt from taxation, except that it may
62 not provide for an exemption beyond the first fifteen assessment years
63 following the installation of a system. The ordinance shall prohibit the
64 exemption from applying to additions to resources recovery facilities
65 operating on October 1, 1994, or to resources recovery facilities
66 constructed on and after that date and may prohibit the exemption
67 from applying to property acquired by eminent domain for the
68 purpose of qualifying for the exemption;

69 (b) As used in this subdivision, [(A) "solar energy electricity
70 generating system" means equipment which is designed, operated and
71 installed as a system which utilizes solar energy as the energy source
72 for at least seventy-five per cent of the electricity produced by the
73 system and meets the standards established by regulation, in
74 accordance with the provisions of chapter 54, by the Secretary of the
75 Office of Policy and Management, and (B)] "cogeneration system"
76 means equipment which is designed, operated and installed as a
77 system which produces, in the same process, electricity and exhaust
78 steam, waste steam, heat or other resultant thermal energy which is
79 used for space or water heating or cooling, industrial, commercial,
80 manufacturing or other useful purposes and which meets standards
81 established by regulation, in accordance with the provisions of chapter

82 54, by the Secretary of the Office of Policy and Management;

83 (c) Any municipality which adopts an ordinance authorizing an
84 exemption provided by this subdivision may enter into a written
85 agreement with an applicant for the exemption, which may require the
86 applicant to make payments to the municipality in lieu of taxes. The
87 agreement may vary the amount of the payments in lieu of taxes in
88 each assessment year of the agreement, provided the payment in any
89 assessment year is not greater than the taxes which would otherwise
90 be due in the absence of the exemption. Any agreement negotiated
91 under this subdivision shall be submitted to the legislative body of the
92 municipality for its approval or rejection;

93 (d) Any person claiming the exemption provided in this subdivision
94 for any assessment year and whose application has been approved in
95 accordance with subparagraph (c) of this subdivision shall, on or
96 before the first day of November in such assessment year, file with the
97 assessor or board of assessors in the town in which the system is
98 located written application claiming the exemption. Failure to file the
99 application in the manner and form as provided by such assessor or
100 board within the time limit prescribed shall constitute a waiver of the
101 right to the exemption for such assessment year. Such application shall
102 not be required for any assessment year following that for which the
103 initial application is filed, provided if such [solar energy electricity
104 generating system or] cogeneration system is altered in a manner
105 which would require a building permit, such alteration shall be
106 deemed a waiver of the right to such exemption until a new
107 application, applicable with respect to such altered system, is filed and
108 the right to such exemption is established as required initially.

109 Sec. 4. Section 12-412 of the 2006 supplement to the general statutes
110 is amended by adding subdivision (117) as follows (*Effective July 1,*
111 *2006, and applicable to sales occurring on or after July 1, 2006*):

112 (NEW) (117) Sales of solar energy electricity generating systems and
113 passive or active solar water or space heating systems, including

114 equipment related to such systems, and sales of services relating to the
115 installation of such systems."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 4
Sec. 2	<i>October 1, 2006, and applicable to assessment years commencing on or after October 1, 2006</i>	12-81(57)
Sec. 3	<i>October 1, 2006, and applicable to assessment years commencing on or after October 1, 2006</i>	12-81(63)
Sec. 4	<i>July 1, 2006, and applicable to sales occurring on or after July 1, 2006</i>	12-412

SENATE AMENDMENT

Calendar: 145
LCO: 5251
Bill: 572

ADOPTED voice REJECTED voice

ADOPTED roll REJECTED roll