



Substitute House Bill No. 7400

Public Act No. 07-248

AN ACT CONCERNING VARIOUS REVENUE MEASURES.

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

Section 1. Section 12-211a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to income years commencing on or after January 1, 2007*):

Notwithstanding any provision of the general statutes, the amount of tax credit or credits otherwise allowable against the tax imposed under this chapter for any income year shall not exceed [seventy] sixty per cent of the amount of tax due from such taxpayer under this chapter with respect to such income year of the taxpayer prior to the application of such credit or credits.

Sec. 2. Section 12-217zz of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to income years commencing on or after January 1, 2007*):

Notwithstanding any other provision of law, the amount of tax credit or credits otherwise allowable against the tax imposed under this chapter for any income year shall not exceed [seventy] sixty per cent of the amount of tax due from such taxpayer under this chapter with respect to such income year of the taxpayer prior to the application of such credit or credits.

Sec. 3. Section 12-296 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to sales occurring on or after July 1, 2007*):

A tax is imposed on all cigarettes held in this state by any person for sale, said tax to be at the rate of [seventy-five and one-half] one hundred mills for each cigarette and the payment thereof shall be for the account of the purchaser or consumer of such cigarettes and shall be evidenced by the affixing of stamps to the packages containing the cigarettes as provided in this chapter.

Sec. 4. Section 12-316 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to the storage or use of unstamped cigarettes occurring on or after July 1, 2007*):

A tax is hereby imposed at the rate of [seventy-five and one-half] one hundred mills for each cigarette upon the storage or use within this state of any unstamped cigarettes in the possession of any person other than a licensed distributor or dealer, or a carrier for transit from without this state to a licensed distributor or dealer within this state. Any person, including distributors, dealers, carriers, warehousemen and consumers, last having possession of unstamped cigarettes in this

state shall be liable for the tax on such cigarettes if such cigarettes are unaccounted for in transit, storage or otherwise, and in such event a presumption shall exist for the purpose of taxation that such cigarettes were used and consumed in Connecticut.

Sec. 5. (NEW) (*Effective July 1, 2007*) (a) An excise tax is hereby imposed upon each distributor and each dealer, as each are defined in section 12-285 of the general statutes and licensed pursuant to chapter 214 of the general statutes, in the amount of twenty-four and one-half mills per cigarette, as defined in said section 12-285, in such distributor's or such dealer's inventory as of the close of business on June 30, 2007, or, if the business closes after eleven fifty-nine p. m. on such date, at eleven fifty-nine p. m. on such date.

(b) Each such licensed distributor or dealer shall, not later than August 15, 2007, file with the Commissioner of Revenue Services, on forms prescribed by said commissioner, a report that shows the number of cigarettes in inventory as of the close of business on June 30, 2007, or, if the business closes after eleven fifty-nine p. m. on such date, at eleven fifty-nine p. m. on such date, upon which inventory the tax under subsection (a) of this section shall be imposed. The tax shall be due and payable on the due date of such report. If any distributor or dealer required to file a report pursuant to this section fails to file such report on or before August 15, 2007, the commissioner shall make an estimate of the number of cigarettes in such distributor's or dealer's inventory as of the close of business on June 30, 2007, based upon any information that is in the commissioner's possession or that may come into the commissioner's possession. The provisions of chapter 214 of the general statutes pertaining to failure to file returns, examination of returns by the commissioner, the issuance of deficiency assessments or assessments where no return has been filed, the collection of tax, the imposition of penalties and the accrual of interest shall apply to the distributors and dealers required to pay the tax imposed under this section. Failure of any distributor or dealer to file such report when due shall be sufficient reason to revoke such distributor's or dealer's license under the provisions of said chapter 214 and to revoke any other state license or permit held by such distributor or dealer.

Sec. 6. Section 12-391 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to the estates of decedents who die on or after January 1, 2007*):

(a) With respect to estates of decedents who die prior to January 1, 2005, and except as otherwise provided in section 59 of public act 03-1 of the June 30 special session*, a tax is imposed upon the transfer of the estate of each person who at the time of death was a resident of this state. The amount of the tax shall be the amount of the federal credit allowable for estate, inheritance, legacy and succession taxes paid to any state or the District of Columbia under the provisions of the federal internal revenue code in force at the date of such decedent's death in respect to any property owned by such decedent or subject to such taxes as part of or in connection with the estate of such decedent. If real or tangible personal property of such decedent is located outside of this state and is subject to estate, inheritance, legacy, or succession taxes by any state or states, other than the state of Connecticut, or by the District of Columbia for which such federal credit is allowable, the amount of tax due under this section shall be reduced by the lesser of: (1) The amount of any such taxes paid to such other state or states or said district and allowed as a credit against the federal estate tax; or (2) an amount computed by multiplying such federal credit by a fraction, (A) the numerator of which is the value of that part of the decedent's gross estate over which such other state or states or said district have jurisdiction for estate tax purposes to the same extent to which this state would assert jurisdiction for estate tax purposes under this chapter with

respect to the residents of such other state or states or said district, and (B) the denominator of which is the value of the decedent's gross estate. Property of a resident estate over which this state has jurisdiction for estate tax purposes includes real property situated in this state, tangible personal property having an actual situs in this state, and intangible personal property owned by the decedent, regardless of where it is located. The amount of any estate tax imposed under this subsection shall also be reduced, but not below zero, by the amount of any tax that is imposed under chapter 216 and that is actually paid to this state.

(b) With respect to the estates of decedents who die prior to January 1, 2005, and except as otherwise provided in section 59 of public act 03-1 of the June 30 special session*, a tax is imposed upon the transfer of the estate of each person who at the time of death was a nonresident of this state, the amount of which shall be computed by multiplying (1) the federal credit allowable for estate, inheritance, legacy, and succession taxes paid to any state or states or the District of Columbia under the provisions of the federal internal revenue code in force at the date of such decedent's death in respect to any property owned by such decedent or subject to such taxes as a part of or in connection with the estate of such decedent by (2) a fraction, (A) the numerator of which is the value of that part of the decedent's gross estate over which this state has jurisdiction for estate tax purposes and (B) the denominator of which is the value of the decedent's gross estate. Property of a nonresident estate over which this state has jurisdiction for estate tax purposes includes real property situated in this state and tangible personal property having an actual situs in this state. The amount of any estate tax imposed under this subsection shall also be reduced, but not below zero, by the amount of any tax that is imposed under chapter 216 and that is actually paid to this state.

(c) For purposes of this section:

(1) "Connecticut taxable estate" means (A) the gross estate less allowable deductions, as determined under Chapter 11 of the Internal Revenue Code, plus (B) the aggregate amount of all Connecticut taxable gifts, as defined in section 12-643, made by the decedent for all calendar years beginning on or after January 1, 2005, other than gifts that are includable in the gross estate of the decedent. The deduction for state death taxes paid under Section 2058 of said code shall be disregarded.

(2) "Internal Revenue Code" means the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, except in the event of repeal of the federal estate tax, then all references to the Internal Revenue Code in this section shall mean the Internal Revenue Code as in force on the day prior to the effective date of such repeal.

(3) "Gross estate" means the gross estate, for federal estate tax purposes.

(d) (1) With respect to the estates of decedents who die on or after January 1, 2005, a tax is imposed upon the transfer of the estate of each person who at the time of death was a resident of this state. The amount of the tax shall be determined using the schedule in subsection (g) of this section. A credit shall be allowed against such tax for any taxes paid to this state pursuant to section 12-642 for Connecticut taxable gifts made on or after January 1, 2005.

(2) If real or tangible personal property of such decedent is located outside of this state, [and is subject to estate, inheritance, legacy or succession taxes by any state or states, other than the state of Connecticut, or by the District of Columbia,] the amount of tax due under this section shall be

reduced by [the lesser of: (A) The amount of any taxes paid to such other state or states or said district; or (B)] an amount computed by multiplying the tax otherwise due pursuant to subdivision (1) of this subsection, without regard to the credit allowed for any taxes paid to this state pursuant to section 12-642, by a fraction, (i) the numerator of which is the value of that part of the decedent's gross estate over which such other state or states or said district have jurisdiction for estate tax purposes to the same extent to which this state would assert jurisdiction for estate tax purposes under this chapter, with respect to the residents of such other state or states or said district, and (ii) the denominator of which is the value of the decedent's gross estate.

(3) Property of a resident estate over which this state has jurisdiction for estate tax purposes includes real property situated in this state, tangible personal property having an actual situs in this state and intangible personal property owned by the decedent, regardless of where it is located.

(e) (1) With respect to the estates of decedents who die on or after January 1, 2005, a tax is imposed upon the transfer of the estate of each person who at the time of death was a nonresident of this state. The amount of such tax shall be computed by multiplying (A) the amount of tax determined using the [appropriate](#) schedule in subsection (g) of this section by (B) a fraction, (i) the numerator of which is the value of that part of the decedent's gross estate over which this state has jurisdiction for estate tax purposes, and (ii) the denominator of which is the value of the decedent's gross estate. A credit shall be allowed against such tax for any taxes paid to this state pursuant to section 12-642, on or after January 1, 2005.

(2) Property of a nonresident estate over which this state has jurisdiction for estate tax purposes includes real property situated in this state and tangible personal property having an actual situs in this state.

(f) (1) For purposes of the tax imposed under this section, the value of the Connecticut taxable estate shall be determined taking into account all of the deductions available under the Internal Revenue Code of 1986, specifically including, but not limited to, the deduction available under Section 2056(b)(7) of said code for a qualifying income interest for life in a surviving spouse.

(2) An election under said Section 2056(b)(7) may be made for state estate tax purposes regardless of whether any such election is made for federal estate tax purposes. The value of the gross estate shall include the value of any property in which the decedent had a qualifying income interest for life for which an election was made under this subsection.

(g) (1) With respect to the estates of decedents dying on or after January 1, 2005, [but prior to January 1, 2007](#), the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

Amount of Connecticut	
Taxable Estate	Rate of Tax
Not over \$ 2,000,000	None

Over \$ 2,000,000

but not over \$ 2,100,000 5.085% of the excess over \$ 0

Over \$ 2,100,000 \$ 106,800 plus 8% of the excess

but not over \$ 2,600,000 over \$ 2,100,000

Over \$ 2,600,000 \$ 146,800 plus 8.8% of the excess

but not over \$ 3,100,000 over \$ 2,600,000

Over \$ 3,100,000 \$ 190,800 plus 9.6% of the excess

but not over \$ 3,600,000 over \$ 3,100,000

Over \$ 3,600,000 \$ 238,800 plus 10.4% of the excess

but not over \$ 4,100,000 over \$ 3,600,000

Over \$ 4,100,000 \$ 290,800 plus 11.2% of the excess

but not over \$ 5,100,000 over \$ 4,100,000

Over \$ 5,100,000 \$ 402,800 plus 12% of the excess

but not over \$ 6,100,000 over \$ 5,100,000

Over \$ 6,100,000 \$ 522,800 plus 12.8% of the excess

but not over \$ 7,100,000 over \$ 6,100,000

Over \$ 7,100,000 \$ 650,800 plus 13.6% of the excess

but not over \$ 8,100,000	over \$ 7,100,000
Over \$ 8,100,000	\$ 786,800 plus 14. 4% of the excess
but not over \$ 9,100,000	over \$ 8,100,000
Over \$ 9,100,000	\$ 930,800 plus 15. 2% of the excess
but not over \$ 10,100,000	over \$ 9,100,000
Over \$ 10,100,000	\$ 1,082,800 plus 16% of the excess
	over \$ 10,100,000

(2) With respect to the estates of decedents dying on or after January 1, 2007, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

<u>Amount of Connecticut</u>	
<u>Taxable Estate</u>	<u>Rate of Tax</u>
<u>Not over \$2,000,000</u>	<u>None</u>
<u>Over \$2,000,000</u>	<u>5.085% of the excess over</u>
<u>but not over \$2,100,000</u>	<u>\$2,000,000</u>
<u>Over \$2,100,000</u>	<u>\$5,100 plus 10.0% of the excess</u>
<u>but not over \$2,600,000</u>	<u>over \$2,100,000</u>
<u>Over \$2,600,000</u>	<u>\$55,100 plus 11.0% of the excess</u>

<u>but not over \$3,100,000</u>	<u>over \$2,600,000</u>
<u>Over \$3,100,000</u>	<u>\$110,100 plus 12.0% of the excess</u>
<u>but not over \$3,600,000</u>	<u>over \$3,100,000</u>
<u>Over \$3,600,000</u>	<u>\$170,100 plus 13.0% of the excess</u>
<u>but not over \$4,100,000</u>	<u>over \$3,600,000</u>
<u>Over \$4,100,000</u>	<u>\$235,100 plus 14.0% of the excess</u>
<u>but not over \$5,100,000</u>	<u>over \$4,100,000</u>
<u>Over \$5,100,000</u>	<u>\$375,100 plus 15% of the excess</u>
<u>but not over \$6,100,000</u>	<u>over \$5,100,000</u>
<u>Over \$6,100,000</u>	<u>\$525,100 plus 16.0% of the excess</u>
<u>but not over \$7,100,000</u>	<u>over \$6,100,000</u>
<u>Over \$7,100,000</u>	<u>\$685,100 plus 17.0% of the excess</u>
<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
<u>Over \$8,100,000</u>	<u>\$855,100 plus 18.0% of the excess</u>
<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
<u>Over \$9,100,000</u>	<u>\$1,035,000 plus 19.0% of the</u>
<u>but not over \$10,100,000</u>	<u>excess over \$9,100,000</u>

Over \$10,100,000

\$1,225,100 plus 20.0% of the

excess over \$10,100,000

(h) (1) For the purposes of this chapter, each decedent shall be presumed to have died a resident of this state. The burden of proof in an estate tax proceeding shall be upon any decedent's estate claiming exemption by reason of the decedent's alleged nonresidency.

(2) Any person required to make and file a tax return under this chapter, believing that the decedent died a nonresident of this state, may file a request for determination of domicile in writing with the Commissioner of Revenue Services, stating the specific grounds upon which the request is founded provided (A) such person has filed such return, (B) at least two hundred seventy days, but no more than three years, has elapsed since the due date of such return or, if an application for extension of time to file such return has been granted, the extended due date of such return, (C) such person has not been notified, in writing, by said commissioner that a written agreement of compromise with the taxing authorities of another jurisdiction, under section 12-395a, is being negotiated, and (D) the commissioner has not previously determined whether the decedent died a resident of this state. Not later than one hundred eighty days following receipt of such request for determination, the commissioner shall determine whether such decedent died a resident or a nonresident of this state. If the commissioner commences negotiations over a written agreement of compromise with the taxing authorities of another jurisdiction after a request for determination of domicile is filed, the one-hundred-eighty-day period shall be tolled for the duration of such negotiations. When, before the expiration of such one-hundred-eighty-day period, both the commissioner and the person required to make and file a tax return under this chapter have consented in writing to the making of such determination after such time, the determination may be made at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon. The commissioner shall mail notice of his proposed determination to the person required to make and file a tax return under this chapter. Such notice shall set forth briefly the commissioner's findings of fact and the basis of such proposed determination. Sixty days after the date on which it is mailed, a notice of proposed determination shall constitute a final determination unless the person required to make and file a tax return under this chapter has filed, as provided in subdivision (3) of this subsection, a written protest with the Commissioner of Revenue Services.

(3) On or before the sixtieth day after mailing of the proposed determination, the person required to make and file a tax return under this chapter may file with the commissioner a written protest against the proposed determination in which such person shall set forth the grounds on which the protest is based. If such a protest is filed, the commissioner shall reconsider the proposed determination and, if the person required to make and file a tax return under this chapter has so requested, may grant or deny such person or the authorized representatives of such person an oral hearing.

(4) Notice of the commissioner's determination shall be mailed to the person required to make and file a tax return under this chapter and such notice shall set forth briefly the commissioner's findings of fact and the basis of decision in each case decided adversely to such person.

(5) The action of the commissioner on a written protest shall be final upon the expiration of one month from the date on which he mails notice of his action to the person required to make and file a tax return under this chapter unless within such period such person seeks review of the commissioner's determination pursuant to subsection (b) of section 12-395.

(6) Nothing in this subsection shall be construed to relieve any person filing a request for determination of domicile of the obligation to pay the correct amount of tax on or before the due date of the tax.

Sec. 7. Subdivision (37) of subsection (a) of section 12-407 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(37) "Services" for purposes of subdivision (2) of this subsection, means:

(A) Computer and data processing services, including, but not limited to, time, programming, code writing, modification of existing programs, feasibility studies and installation and implementation of software programs and systems even where such services are rendered in connection with the development, creation or production of canned or custom software or the license of custom software, and exclusive of services rendered in connection with the creation, development hosting or maintenance of all or part of a web site which is part of the graphical, hypertext portion of the Internet, commonly referred to as the World Wide Web;

(B) Credit information and reporting services;

(C) Services by employment agencies and agencies providing personnel services;

(D) Private investigation, protection, patrol work, watchman and armored car services, exclusive of (i) services of off-duty police officers and off-duty firefighters, and (ii) coin and currency services provided to a financial services company by or through another financial services company. For purposes of this subparagraph, "financial services company" has the same meaning as provided under subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a) of section 12-218b;

(E) Painting and lettering services;

(F) Photographic studio services;

(G) Telephone answering services;

(H) Stenographic services;

(I) Services to industrial, commercial or income-producing real property, including, but not limited to, such services as management, electrical, plumbing, painting and carpentry and excluding any such services rendered in the voluntary evaluation, prevention, treatment, containment or removal of hazardous waste, as defined in section 22a-115, or other contaminants of air, water or soil, provided income-producing property shall not include property used exclusively for residential purposes in which the owner resides and which contains no more than three dwelling units, or a housing facility for low and moderate income families and persons owned or operated by a nonprofit housing organization, as defined in subdivision (29) of section 12-412;

(J) Business analysis, management, management consulting and public relations services,

excluding (i) any environmental consulting services, (ii) any training services provided by an institution of higher education licensed or accredited by the Board of Governors of Higher Education pursuant to section 10a-34, and (iii) on and after January 1, 1994, any business analysis, management, management consulting and public relations services when such services are rendered in connection with an aircraft leased or owned by a certificated air carrier or in connection with an aircraft which has a maximum certificated take-off weight of six thousand pounds or more;

(K) Services providing "piped-in" music to business or professional establishments;

(L) Flight instruction and chartering services by a certificated air carrier on an aircraft, the use of which for such purposes, but for the provisions of subdivision (4) of section 12-410 and subdivision (12) of section 12-411, would be deemed a retail sale and a taxable storage or use, respectively, of such aircraft by such carrier;

(M) Motor vehicle repair services, including any type of repair, painting or replacement related to the body or any of the operating parts of a motor vehicle;

(N) Motor vehicle parking, including the provision of space, other than metered space, in a lot having thirty or more spaces, excluding (i) space in a seasonal parking lot provided by a person who is exempt from taxation under this chapter pursuant to subdivision (1), (5) or (8) of section 12-412, (ii) space in a parking lot owned or leased under the terms of a lease of not less than ten years' duration and operated by an employer for the exclusive use of its employees, (iii) valet parking provided at any airport, and (iv) space in municipally-operated railroad parking facilities in municipalities located within an area of the state designated as a severe nonattainment area for ozone under the federal Clean Air Act or space in a railroad parking facility in a municipality located within an area of the state designated as a severe nonattainment area for ozone under the federal Clean Air Act owned or operated by the state on or after April 1, 2000;

(O) Radio or television repair services;

(P) Furniture reupholstering and repair services;

(Q) Repair services to any electrical or electronic device, including, but not limited to, equipment used for purposes of refrigeration or air-conditioning;

(R) Lobbying or consulting services for purposes of representing the interests of a client in relation to the functions of any governmental entity or instrumentality;

(S) Services of the agent of any person in relation to the sale of any item of tangible personal property for such person, exclusive of the services of a consignee selling works of art, as defined in subsection (b) of section 12-376c, or articles of clothing or footwear intended to be worn on or about the human body other than (i) any special clothing or footwear primarily designed for athletic activity or protective use and which is not normally worn except when used for the athletic activity or protective use for which it was designed, and (ii) jewelry, handbags, luggage, umbrellas, wallets, watches and similar items carried on or about the human body but not worn on the body in the manner characteristic of clothing, [intended for exemption under subdivision (47) of section 12-412,] under consignment, exclusive of services provided by an auctioneer;

(T) Locksmith services;

(U) Advertising or public relations services, including layout, art direction, graphic design, mechanical preparation or production supervision, not related to the development of media advertising or cooperative direct mail advertising;

(V) Landscaping and horticulture services;

(W) Window cleaning services;

(X) Maintenance services;

(Y) Janitorial services;

(Z) Exterminating services;

(AA) Swimming pool cleaning and maintenance services;

(BB) Miscellaneous personal services included in industry group 729 in the Standard Industrial Classification Manual, United States Office of Management and Budget, 1987 edition, or U. S. industry 532220, 812191, 812199 or 812990 in the North American Industrial Classification System United States Manual, United States Office of Management and Budget, 1997 edition, exclusive of (i) services rendered by massage therapists licensed pursuant to chapter 384a, and (ii) services rendered by an electrologist licensed pursuant to chapter 388;

(CC) Any repair or maintenance service to any item of tangible personal property including any contract of warranty or service related to any such item;

(DD) Business analysis, management or managing consulting services rendered by a general partner, or an affiliate thereof, to a limited partnership, provided (i) the general partner, or an affiliate thereof, is compensated for the rendition of such services other than through a distributive share of partnership profits or an annual percentage of partnership capital or assets established in the limited partnership's offering statement, and (ii) the general partner, or an affiliate thereof, offers such services to others, including any other partnership. As used in this subparagraph "an affiliate of a general partner" means an entity which is directly or indirectly owned fifty per cent or more in common with a general partner;

(EE) Notwithstanding the provisions of section 12-412, except subdivision (87) of said section 12-412, patient care services, as defined in subdivision (29) of this subsection by a hospital, except that "sale" and "selling" does not include such patient care services for which payment is received by the hospital during the period commencing July 1, 2001, and ending June 30, 2003. [;]

[(FF) Health and athletic club services, exclusive of (i) any such services provided without any additional charge which are included in any dues or initiation fees paid to any such club, which dues or fees are subject to tax under section 12-543, (ii) any such services provided by a municipality or an organization that is described in Section 501(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and (iii) yoga instruction provided at a yoga studio.]

Sec. 8. Subdivision (1) of section 12-408 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(1) For the privilege of making any sales, as defined in subdivision (2) of subsection (a) of section 12-407, at retail, in this state for a consideration, a tax is hereby imposed on all retailers at the rate of six per cent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail or from the rendering of any services constituting a sale in accordance with subdivision (2) of subsection (a) of section 12-407, except, in lieu of said rate of six per cent, (A) at a rate of twelve per cent with respect to each transfer of occupancy, from the total amount of rent received for such occupancy of any room or rooms in a hotel or lodging house for the first period not exceeding thirty consecutive calendar days, (B) with respect to the sale of a motor vehicle to any individual who is a member of the armed forces of the United States and is on full-time active duty in Connecticut and who is considered, under 50 App USC 574, a resident of another state, or to any such individual and the spouse thereof, at a rate of four and one-half per cent of the gross receipts of any retailer from such sales, provided such retailer requires and maintains a declaration by such individual, prescribed as to form by the commissioner and bearing notice to the effect that false statements made in such declaration are punishable, or other evidence, satisfactory to the commissioner, concerning the purchaser's state of residence under 50 App USC 574, (C) (i) with respect to the sales of computer and data processing services occurring on or after July 1, 1997, and prior to July 1, 1998, at the rate of five per cent, on or after July 1, 1998, and prior to July 1, 1999, at the rate of four per cent, on or after July 1, 1999, and prior to July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001, at the rate of one per cent, and on and after July 1, 2007, such services shall be exempt from such tax, (ii) with respect to sales of Internet access services, on and after July 1, 2001, such services shall be exempt from such tax, (D) with respect to the sales of labor that is otherwise taxable under subparagraph (C) or (G) of subdivision (2) of subsection (a) of section 12-407 on existing vessels and repair or maintenance services on vessels occurring on and after July 1, 1999, such services shall be exempt from such tax, (E) with respect to patient care services for which payment is received by the hospital on or after July 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths per cent and on and after July 1, 2001, such services shall be exempt from such tax. The rate of tax imposed by this chapter shall be applicable to all retail sales upon the effective date of such rate, except that a new rate which represents an increase in the rate applicable to the sale shall not apply to any sales transaction wherein a binding sales contract without an escalator clause has been entered into prior to the effective date of the new rate and delivery is made within ninety days after the effective date of the new rate. For the purposes of payment of the tax imposed under this section, any retailer of services taxable under subparagraph (I) of subdivision (2) of subsection (a) of section 12-407, who computes taxable income, for purposes of taxation under the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, on an accounting basis which recognizes only cash or other valuable consideration actually received as income and who is liable for such tax only due to the rendering of such services may make payments related to such tax for the period during which such income is received, without penalty or interest, without regard to when such service is rendered.

Sec. 9. Subdivision (55) of section 12-412 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to sales occurring on and after July 1, 2007*):

(55) Sales of [(A) tangible personal property by any funeral establishment performing the primary services in preparation for and the conduct of burial or cremation, provided any such property must be used directly in the performance of such services and the total amount of such exempt

sales with respect to any single funeral may not exceed two thousand five hundred dollars, or (B)] caskets used for burial or cremation.

Sec. 10. (*Effective from passage*) The state shall apply to become a party to the Streamlined Sales and Use Tax Agreement on or before October 1, 2007. The Commissioner of Revenue Services, in consultation with the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding shall take all steps necessary to ensure that the state is in compliance with said agreement.

Sec. 11. Subdivision (27) of section 12-412 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to sales occurring on or after July 1, 2007*):

(27) (A) Sales of any items for fifty cents or less from vending machines; or (B) [sales of food products, as defined in subsection (13) of this section,] [notwithstanding the provisions of subdivision \(13\) of this section, meals](#) sold through coin-operated vending machines [or at unattended "honor boxes"](#).

Sec. 12. Subsection (b) of section 12-412k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to sales occurring on or after July 1, 2007*):

(b) Notwithstanding the provisions of the general statutes, from November 25, 2005, to April 1, 2006, and from June 1, 2006, to June 30, [2007] [2010](#), the provisions of this chapter shall not apply to sales of any residential weatherization products.

Sec. 13. Section 12-460a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) Notwithstanding the provisions of section 13b-61, with respect to the fiscal year ending June 30, 2003, the Commissioner of Revenue Services shall deposit into the Conservation Fund established under section 22a-27h₂ two million dollars of the amount of the funds received by the state from the tax imposed under this chapter attributable to sales of fuel from distributors to any boat yard, public or private marina or other entity renting or leasing slips, dry storage, mooring or other space for marine vessels₂ provided (1) two hundred fifty thousand dollars shall be credited to the boating account, and (2) one million dollars shall be credited to the fisheries account₂ of which not less than seventy-five thousand dollars shall be allocated to The University of Connecticut for the Long Island Sound councils.

(b) [With] [Notwithstanding the provisions of section 13b-61, with](#) respect to fiscal years ending on or after June 30, 2004, [but prior to June 30, 2008](#), the Commissioner of Revenue Services shall deposit into the Conservation Fund established under section 22a-27h₂ three million dollars of the amount of the funds received by the state from the tax imposed under this chapter attributable to sales of fuel from distributors to any boat yard, public or private marina or other entity renting or leasing slips, dry storage, mooring or other space for marine vessels₂ provided (1) two hundred fifty thousand dollars shall be credited to the boating account, and (2) two million dollars shall be credited to the fisheries account₂ of which not less than seventy-five thousand dollars shall be allocated to The University of Connecticut for the Long Island Sound councils.

[\(c\) Notwithstanding the provisions of section 13b-61, with respect to fiscal years ending on or after](#)

June 30, 2008, the Commissioner of Revenue Services shall deposit into the Conservation Fund established under section 22a-27h, three million five hundred thousand dollars of the amount of the funds received by the state from the tax imposed under this chapter attributable to sales of fuel from distributors to any boat yard, public or private marina or other entity renting or leasing slips, dry storage, mooring or other space for marine vessels, provided (1) two hundred ninety-five thousand dollars shall be credited to the boating account, and (2) two million three hundred thirty thousand dollars shall be credited to the fisheries account, of which not less than one hundred twenty-five thousand dollars shall be allocated to The University of Connecticut for the Long Island Sound councils.

Sec. 14. Subsection (a) of section 12-494 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) There is imposed a tax on each deed, instrument or writing, whereby any lands, tenements or other realty is granted, assigned, transferred or otherwise conveyed to, or vested in, the purchaser, or any other person by his direction, when the consideration for the interest or property conveyed equals or exceeds two thousand dollars, (1) subject to the provisions of subsection (b) of this section, at the rate of five-tenths of one per cent of the consideration for the interest in real property conveyed by such deed, instrument or writing, the revenue from which shall be remitted by the town clerk of the municipality in which such tax is paid, not later than ten days following receipt thereof, to the Commissioner of Revenue Services for deposit to the credit of the state General Fund, and (2) at the rate of one-fourth of one per cent of the consideration for the interest in real property conveyed by such deed, instrument or writing, [and on and after July 1, 2007, at the rate of eleven one-hundredths of one per cent of the consideration for the interest in real property conveyed by such deed, instrument or writing.] provided the amount imposed under this subdivision shall become part of the general revenue of the municipality in accordance with section 12-499.

Sec. 15. Subsection (a) of section 12-458 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) Each distributor shall, on or before the twenty-fifth day of each month, render a return to the commissioner. Each return shall be signed by the person required to file the return or by his authorized agent but need not be verified by oath. Any return required to be filed by a corporation shall be signed by an officer of such corporation or his authorized agent. Such return shall state the number of gallons of fuel sold or used by him during the preceding calendar month, on forms to be furnished by the commissioner, and shall contain such further information as the commissioner shall prescribe. The commissioner may make public the number of gallons of fuel sold or used by the distributor, as contained in such report, notwithstanding the provisions of section 12-15 or any other section. For purposes of this section, fuel sold shall include but not be limited to the transfer of fuel by a distributor into a receptacle from which fuel is supplied or intended to be supplied to other than such distributor's motor vehicles.

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

cents on and after October 1, 1995, thirty-five cents on and after January 1, 1996, thirty-six cents on and after April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight cents on and after October 1, 1996, thirty-nine cents on and after January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two cents on and after July 1, 1998, and twenty-five cents on and after July 1, 2000; and (B) in lieu of said taxes, each distributor shall pay a tax on each gallon of gasohol, as defined in section 14-1, sold or used in this state during such preceding calendar month, of twenty-five cents on and after January 1, 1992, twenty-seven cents on and after January 1, 1993, twenty-eight cents on and after July 1, 1993, twenty-nine cents on and after January 1, 1994, thirty cents on and after July 1, 1994, thirty-one cents on and after January 1, 1995, thirty-two cents on and after July 1, 1995, thirty-three cents on and after October 1, 1995, thirty-four cents on and after January 1, 1996, thirty-five cents on and after April 1, 1996, thirty-six cents on and after July 1, 1996, thirty-seven cents on and after October 1, 1996, thirty-eight cents on and after January 1, 1997, thirty-five cents on and after July 1, 1997, thirty-one cents on and after July 1, 1998, and twenty-four cents on and after July 1, 2000, and twenty-five cents on and after July 1, 2004; and (C) in lieu of such rate, on each gallon of diesel fuel, propane or natural gas sold or used in this state during such preceding calendar month, of eighteen cents on and after September 1, 1991, and twenty-six cents on and after August 1, 2002.

(3) Said tax shall not be payable on such fuel as may have been (A) sold to the United States, (B) sold to a municipality of this state, (i) for use by any contractor performing a service for such municipality in accordance with a contract, provided such fuel is used by such contractor exclusively for the purposes of and in accordance with such contract, or (ii) for use exclusively in a school bus, as defined in section 14-275, (C) sold to a municipality of this state, a transit district of this state, or this state, at other than a retail outlet, for governmental purposes and for use in vehicles owned and operated, or leased and operated by such municipality, such transit district or this state, (D) sold to a person licensed as a distributor in this state under section 12-456, (E) transferred from storage within this state to some point without this state, (F) sold to the holder of a permit issued under section 12-458a for sale or use without this state, (G) sold to the holder of a permit issued under subdivision (63) of section 12-412, provided (i) such fuel is not used in motor vehicles registered or required to be registered to operate upon the public highways of this state, unless such fuel is used in motor vehicles registered exclusively for farming purposes, (ii) such fuel is not delivered, upon such sale, to a tank in which such person keeps fuel for personal and farm use, and (iii) a statement, prescribed as to form by the Commissioner of Revenue Services and bearing notice to the effect that false statements made under this section are punishable, that such fuel is used exclusively for farming purposes, is submitted by such person to the distributor, (H) sold exclusively to furnish power for an industrial plant in the actual fabrication of finished products to be sold, or for the fishing industry, (I) sold exclusively for heating purposes, (J) sold exclusively to furnish gas, water, steam or electricity, if delivered to consumers through mains, lines or pipes, (K) sold to the owner or operator of an aircraft, as defined in section 15-34, exclusively for aviation purposes, provided (i) for purposes of this subdivision, "aviation purposes" means for the purpose of powering an aircraft or an aircraft engine, (ii) such fuel is delivered, upon such sale, to a tank in which fuel is kept exclusively for aviation purposes, and (iii) a statement, prescribed as to form by the Commissioner of Revenue Services and bearing notice to the effect that false statements made under this section are punishable, that such fuel is used exclusively for aviation purposes, is submitted by such person to the distributor, (L) sold to a dealer who is licensed under section 12-462 and whose place of business is located upon an established airport within this state, [or] (M) diesel fuel sold exclusively for use in portable power system generators that are larger than one hundred fifty kilowatts, or (N) sold during the period beginning on the

effective date of this section, and ending Tuesday, September 4, 2007, at 12:01 a.m.

(4) Each distributor, when making a taxable sale, shall furnish to the purchaser an invoice showing the quantities of fuel sold, the classification thereof under the provisions of this chapter and the amount of tax to be paid by the distributor for the account of the purchaser or consumer.

(5) If any distributor fails to pay the amount of tax reported to be due on its report within the time specified under the provisions of this section, there shall be imposed a penalty equal to ten per cent of such amount due and unpaid, or fifty dollars, whichever is greater. The tax shall bear interest at the rate of one per cent per month or fraction thereof from the due date of the tax until the date of payment.

(6) If no return has been filed within three months after the time specified under the provisions of this chapter, the commissioner may make such return at any time thereafter, according to the best information obtainable and the form prescribed. There shall be added to the tax imposed upon the basis of such return an amount equal to ten per cent of such tax, or fifty dollars, whichever is greater. The tax shall bear interest at the rate of one per cent per month or fraction thereof from the due date of such tax to the date of payment.

(7) Subject to the provisions of section 12-3a, the commissioner may waive all or part of the penalties provided under this chapter when it is proven to his satisfaction that the failure to pay any tax was due to reasonable cause and was not intentional or due to neglect.

(8) A distributor who is exclusively making sales of fuel on which the tax imposed by this chapter is not payable may be permitted, as specified in regulations adopted in accordance with the provisions of chapter 54, to file reports less frequently than monthly but not less frequently than annually if the commissioner determines that enforcement of this section would not be adversely affected by less frequent filings. Distributors permitted to file such reports shall maintain records that shall detail (A) the persons from whom the fuel was purchased, (B) the persons to whom, the quantities in which and the dates on which such fuel was sold, and (C) any other information deemed necessary by the commissioner.

Sec. 16. (NEW) (*Effective from passage*) During the period specified in subparagraph (N) of subdivision (3) of subsection (a) of section 12-458 of the general statutes, as amended by this act, upon the reduction in the tax required by subsection (a) of section 12-458 of the general statutes, as amended by this act, each distributor, as defined in section 12-455a of the general statutes, shall reduce the per-gallon price of gasoline or other product intended for use in the propelling of motor vehicles using combustion type engines sold in this state by such distributor to any retail dealer, as defined in section 14-318 of the general statutes, in an amount equal to the amount of the reduction in such tax that is imposed on each gallon of such gasoline or other product.

Sec. 17. Section 14-332 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The commissioner may adopt regulations, in accordance with chapter 54, governing the administration of all statutes relating to gasoline or any other product intended as a fuel for motor vehicles or internal combustion engines or relating to the sale of such gasoline or such other product, except as provided in subsection (b) of this section.

(b) The commissioner, in consultation with the Secretary of the Office of Policy and Management,

shall adopt emergency regulations, in accordance with chapter 54, to establish a program to monitor and enforce compliance with the requirements of subsection (c) of section 14-332a, [as amended by this act](#).

Sec. 18. Section 14-332a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) As used in subsection (b) of this section: (1) "Surcharge" means any charge by a retail dealer to any person for the pumping or sale of gasoline or other product intended for use in the propelling of motor vehicles using combustion type engines which exceeds the amount of the posted retail price displayed on such price signs as may be required by law; and (2) "tie-in-sale" means any sale by a retail dealer of any petroleum product, except gasoline, or of any other product or merchandise or of any service which is made a condition for the purchase of gasoline.

(b) Any retail dealer that adds a surcharge to the price of gasoline or other product intended for use in the propelling of motor vehicles using combustion type engines sold by him at retail, or requires a tie-in-sale as a condition of such sale, shall be subject to the penalties provided in section 14-331. Nothing in this subsection shall be construed to prohibit any charge for financing in accordance with sections 36a-675 to 36a-685, inclusive.

(c) (1) During the period [commencing on July 1, 1998, and ending on October 1, 1998] [specified in subparagraph \(N\) of subdivision \(3\) of subsection \(a\) of section 12-458, as amended by this act](#), upon the reduction in the tax required by [said section](#), [12-458, that is effective July 1, 1998, and during the period commencing on July 1, 2000, and ending November 1, 2000, upon the reduction in the tax required by said section 12-458, that is effective July 1, 2000,] each retail dealer shall, in accordance with subdivision (2) of this subsection, reduce the per-gallon price of gasoline or other product intended for use in the propelling of motor vehicles using combustion type engines sold by such retail dealer at retail in an amount equal to the amount of the reduction in such tax that is imposed on each gallon of such gasoline or other product. [Such retail dealer shall maintain any such price reduction in effect for a period of not less than one hundred twenty days after such tax reduction.]

(2) The price reduction required by subdivision (1) of this subsection shall take effect not later than (A) two days following the effective date of the applicable tax reduction, or (B) the close of business on the business day on which the retail dealer has completed the sale of an amount of such gasoline or other product equal to the total number of gallons of such gasoline or other product in the inventory of the retail dealer at midnight on the effective date of such tax reduction, whichever is later.

(3) Any retail dealer that violates this subsection shall be subject to the penalties set forth in section 14-331. A violation of this subsection shall be deemed an unfair or deceptive trade practice under subsection (a) of section 42-110b.

(4) The following shall be affirmative defenses to any action or administrative proceeding brought against a retail dealer under section 14-331 or chapter 735a for an alleged violation of this subsection: (A) An increase in the wholesale price of such gasoline or other product that occurs after any such tax reduction; (B) an increase in any other tax imposed on such gasoline or other product that occurs after any such tax reduction; or (C) any other bona fide business cost increase incurred by a retail dealer and upon which the retail dealer relied in making the decision to forego

the implementation or continuation of any such price reduction in whole or in part.

Sec. 19. (NEW) (*Effective from passage*) (a) This section shall be known as and may be cited as the "Petroleum Transparency and Reporting Oversight Law".

(b) As used in this section:

(1) "Classes of retail trade" means the separate subdivisions of outlets or methods of retail sales of liquid fuels, typically but not always limited to gasoline and diesel for motor vehicles, and includes any:

(A) Company-operated station operated pursuant to chapter 250a of the general statutes that is a retail service station owned and operated by a distributor and where retail prices are set by such distributor;

(B) Lessee dealer-operated station that is a retail service station owned by a distributor and operated by a qualified gasoline dealer other than a distributor under a franchise; or

(C) Owner-operated station that is a retail service station not owned by a distributor and operated by a qualified gasoline dealer;

(2) "Office of the Attorney General" means the office of the Attorney General of the state of Connecticut;

(3) "Distributor" has the same meaning as provided in section 14-327a of the general statutes;

(4) "Energy" means work or heat that is, or may be, produced from any fuel or source whatsoever;

(5) "Fuel" means "fuels", as defined in section 14-1 of the general statutes, diesel fuel and number two heating oil, but does not include aviation fuel;

(6) "Major marketer" means any person who sells fuel in amounts determined by the office of the Attorney General as having an effect on energy supplies;

(7) "Major oil producer" means any person who produces oil in amounts determined by the office of the Attorney General as having an effect on energy supplies;

(8) "Major oil storer" means any person who stores oil or other petroleum products in amounts determined by the office of the Attorney General as having an effect on energy supplies;

(9) "Major oil transporter" means any person who transports oil or other petroleum products in amounts determined by the office of the Attorney General as having an effect on energy supplies; and

(10) "Person" has the same meaning as provided in section 14-1 of the general statutes.

(c) Notwithstanding the provisions of section 14-327b of the general statutes, any person holding himself or herself out as a distributor shall register as such with the office of the Attorney General, on forms to be prescribed, prepared and furnished by said office.

(d) (1) On and after January 1, 2008, and each week thereafter, every distributor, shall file with the

office of the Attorney General, on forms prescribed, prepared and furnished by said office, a certified statement showing separately for each transaction in the state in which fuel was sold or used during the time period commencing on the effective date of this section and for each weekly period after January 1, 2008, the following:

- (A) The total number of gallons or units of fuel, by type or grade, compounded by the distributor within the state and the number of gallons or units of fuel, by type or grade, sold, exchanged or otherwise transferred or used by the distributor in each transaction;
- (B) The total number of gallons or units of fuel, by type or grade, imported or exported by the distributor; the total volumes of fuel, by type or grade, sold, exchanged or otherwise transferred or used by the distributor; the number of gallons or units of fuel, by type or grade, sold, exchanged or otherwise transferred or used by the distributor in each transaction;
- (C) The total number of gallons or units of fuel sold as fuel;
- (D) The total number of gallons or units of fuel, by type or grade, and their respective sales prices for all fuel sold to federal, state and municipal agencies, ships stores or base exchanges, commercial agricultural accounts, commercial nonagricultural accounts, retail dealers and other customers;
- (E) Weekly weighted average acquisition cost per barrel and volumes of foreign or domestic crude oil or other liquid fuels, finished or unfinished, imported to this state, including information identifying the source of the crude oil or other fuels;
- (F) The effective date and time, and the amount of change in cents per gallon, of any increase or decrease in wholesale price occurring during the week and the weekly weighted average wholesale prices and sales volumes of finished unleaded regular and premium motor gasoline, and of each other grade of gasoline sold, by transaction, to retail outlets, by classes of retail trade, and to wholesale distributors;
- (G) Weekly weighted average retail prices, and sales volumes of finished unleaded regular and premium motor gasoline, and of each other grade of gasoline sold, by transaction, by retail distributor outlets of all classes of retail trade and by any distributor to other end-users; provided the office of the Attorney General may purchase retail price data from data service companies that said office may use to substitute some or all data to meet the reporting requirement for retail price data under this subdivision;
- (H) The effective date and time, and the amount of change in cents per gallon, of any increase or decrease in wholesale price occurring during the week and the weekly weighted average wholesale prices, and sales volumes of diesel fuel and number two heating oil, by transaction, to retail distributor outlets, by classes of retail trade, and to all other wholesale distributors. Weighted average wholesale prices and sales volumes shall be reported by type of wholesale fuel price;
- (I) Weekly weighted average retail prices, and sales volumes of diesel fuel and number two heating oil sold, by transaction, by retail distributor outlets of all classes of retail trade and by any distributor to other end-users. The office of the Attorney General may purchase retail price data from data service companies that said office may use to substitute some or all data to meet the reporting requirement for retail price data under this subdivision;
- (J) For each distributor, the gross margins or spreads between the distributor's average weighted

price for each gallon or unit of fuel acquired by the distributor and the average weighted prices for each gallon or unit of fuel sold, by transaction, to another distributor, a retail dealer, end-user or consumer.

(2) The office of the Attorney General shall prescribe applicable standards and practices for reporting to facilitate uniformity, consistency and comparability of the data to be submitted pursuant to this subsection.

(3) On and after the effective date of this section, distributors shall maintain all data required to be reported to the office of the Attorney General pursuant to this subsection and shall report such data to said office on the date and in the manner required by subdivision (1) of this subsection.

(e) Each major marketer shall submit to the office of the Attorney General, at a time and in a form as said office shall prescribe, information, including petroleum and petroleum product receipts, exchanges, inventories and distributions.

(f) The office of the Attorney General may request additional information as and when said office deems necessary to perform said office's responsibilities under this section.

(g) Information in the statements filed pursuant to subsections (d), (e), (f) and (h) of this section shall be collected and maintained for the purpose of facilitating the analysis required by subsection (i) of this section, provided the office of the Attorney General shall make available to the public the information contained in the statements but not the statements themselves, as provided in subsections (k) and (m) of this section.

(h) Each major oil producer, marketer, oil transporter and oil storer shall submit to the office of the Attorney General, in a form and at intervals as said office shall prescribe, information that includes the following:

(1) Major oil transporters shall report the capacities of each major petroleum transportation system, the amount transported by each system and inventories thereof;

(2) Major oil storers shall report on their storage capacity, inventories, receipts and distributions, and methods of transportation of receipts and distributions; and

(3) Major oil marketers shall report on facility capacity and methods of transportation of receipts and distributions.

(i) (1) The office of the Attorney General, with said office's own staff and other support staff with expertise and experience in, or with, the petroleum industry, shall gather, analyze and interpret the information submitted to it pursuant to subsections (d), (e), (f) and (h) of this section and other information relating to the supply, prices, margins and profits of petroleum products, with particular emphasis on motor vehicle fuels, including, but not limited to, the following:

(A) The nature, cause and extent of any petroleum or petroleum product situation or condition affecting supply, price, margins or profits;

(B) The prices, with particular emphasis on wholesale and retail motor vehicle fuel prices, and any significant changes in prices charged by the petroleum industry for petroleum or petroleum products sold in the state and the reasons for the changes;

(C) The income, expenses, margins and profits in the state, both before and after taxes, of each distributor and the income, expenses, margins and profits, both before and after taxes, of major oil companies in other regions of the United States and other countries; and

(D) The emerging trends relating to supply, demand, price, margins and profits.

(2) The office of the Attorney General shall analyze the effects of state and federal policies, rules and regulations upon the supply and pricing of petroleum products.

(3) The office of the Attorney General shall annually submit to the Governor and the General Assembly, in accordance with section 11-4a of the general statutes, twenty days prior to the first day of each regular legislative session a summary, including any analysis and interpretation of the information submitted to it pursuant to this section and any other activities taken by said office, including civil penalties imposed and violation notices issued by the Attorney General under subsection (n) of this section.

(j) The office of the Attorney General shall establish a petroleum transparency and reporting oversight program that includes development and maintenance of an automated petroleum industry information reporting system that meets the requirements of government, industry and the public while promoting sound policy-making and consumer information and protection. Such program shall conduct and facilitate the efficient analysis and reporting of all information and data provided by the petroleum industry pursuant to this section. The office of the Attorney General shall develop such program in a manner that will result in greater market transparency and provide useful information to the general public and those agencies that are authorized to conduct oversight of the petroleum industry and ensure compliance with all relevant laws.

(k) (1) Confidential commercial information provided to the office of the Attorney General pursuant to this section shall be held in confidence by said office or aggregated to the extent necessary to ensure the confidentiality of such information.

(2) No data or information submitted to the office of the Attorney General shall be deemed confidential if the person submitting the information or data has made it public.

(3) Unless otherwise provided by law, with respect to data that the office of the Attorney General obtains or is provided pursuant to subsections (d), (e) or (f) of this section, neither the office of the Attorney General or any employee of said office may do any of the following:

(A) Make any publication whereby the data furnished by any person can be identified; or

(B) Permit any person other than the office of the Attorney General, the Department of Revenue Services, the Commissioner of Consumer Protection or the Chief State's Attorney and the authorized representatives and employees of each to examine the individual reports or statements provided.

(l) Any confidential information pertinent to the responsibilities of the office of the Attorney General specified in this section that is obtained by another agency or department of this state shall be treated in a confidential manner;

(m) (1) Notwithstanding the provisions of any general statutes, including any other provision of this section, not later than fourteen days after the reporting date established by the office of the

Attorney General under subsection (e) of this section, said office shall disclose to the public, using the best readily available technology, the information contained in the statements, but not the statements themselves, that are filed pursuant to said section;

(2) Nothing in this section shall be construed to prohibit the implementation of the petroleum transparency and reporting oversight program under subsection (j) of this section or the public disclosure of the analysis of information and reports pursuant to this section.

(n) (1) The office of the Attorney General shall notify those persons who have failed to timely provide the information specified in subsections (d) and (h) of this section or requested by the office of the Attorney General under said subsections. If, within five business days after being notified of the failure to provide the specified or requested information, the person fails to supply the specified or requested information, the person shall be subject to a civil penalty of not less than fifty thousand dollars per day or more than one hundred thousand dollars per day for each day the submission of information is refused or delayed;

(2) Any person or any employee of any person, who wilfully makes any false statement, representation or certification in any record, report, plan or other document filed with the office of the Attorney General pursuant to this section shall be subject to a civil penalty not to exceed five hundred thousand dollars and shall be deemed to have committed an unfair or deceptive act or practice in the conduct of a trade or commerce in violation of section 42-110b of the general statutes.

(o) The provisions of subsections (a) to (n), inclusive, of this section shall not be applied in a manner that would render its application preempted by the "Petroleum Marketing Practices Act", 15 USC 2801, et seq. , as amended from time to time, or other applicable federal law.

(p) Any employee or agent of the office of the Attorney General or of another agency or department of the state who discloses confidential information in violation of subsection (k), (l) or (m) of this section shall be fined not more than five thousand dollars or imprisoned not more than five years, or both.

Sec. 20. (*Effective from passage*) The Comptroller may transfer up to one hundred twenty-four million seven hundred thousand dollars from the resources of the General Fund to the Special Transportation Fund for the fiscal year ending June 30, 2007, of which an amount equal to the number of days in June that the tax imposed by section 12-458 of the general statutes is suspended pursuant to said section, multiplied by one million three hundred seventy thousand dollars shall be transferred into the Special Transportation Fund for the fiscal year ending June 30, 2007, and eighty-three million seven hundred thousand dollars shall be deemed transferred into the Special Transportation Fund for the fiscal year ending June 30, 2008.

Sec. 21. Section 12-587 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) As used in this chapter: (1) "Company" includes a corporation, partnership, limited partnership, limited liability company, limited liability partnership, association, individual or any fiduciary thereof; (2) "quarterly period" means a period of three calendar months commencing on the first day of January, April, July or October and ending on the last day of March, June, September or December, respectively; (3) "gross earnings" means all consideration received from the first sale

within this state of a petroleum product; (4) "petroleum products" means those products which contain or are made from petroleum or a petroleum derivative; (5) "first sale of petroleum products within this state" means the initial sale of a petroleum product delivered to a location in this state; (6) "export" or "exportation" means the conveyance of petroleum products from within this state to a location outside this state for the purpose of sale or use outside this state; and (7) "sale for exportation" means a sale of petroleum products to a purchaser which itself exports such products.

(b) (1) Except as otherwise provided in subdivision (2) of this subsection, any company which is engaged in the refining or distribution, or both, of petroleum products and which distributes such products in this state shall pay a quarterly tax on its gross earnings derived from the first sale of petroleum products within this state. Each company shall on or before the last day of the month next succeeding each quarterly period render to the commissioner a return on forms prescribed or furnished by the commissioner and signed by the person performing the duties of treasurer or an authorized agent or officer, including the amount of gross earnings derived from the first sale of petroleum products within this state for the quarterly period and such other facts as the commissioner may require for the purpose of making any computation required by this chapter. Except as otherwise provided in subdivision (3) of this subsection, the rate of tax shall be (A) five per cent with respect to calendar quarters prior to July 1, 2005; (B) five and eight-tenths per cent with respect to calendar quarters commencing on or after July 1, 2005, and prior to July 1, 2006; (C) six and three-tenths per cent with respect to calendar quarters commencing on or after July 1, 2006, and prior to July 1, [2007] [2008](#); (D) seven per cent with respect to calendar quarters commencing on or after July 1, [2007] [2008](#), and prior to July 1, [2008] [2009](#); (E) seven and one-half per cent with respect to calendar quarters commencing on or after July 1, [2008] [2009](#), and prior to July 1, [2013] [2014](#); and (F) eight and one-tenth per cent with respect to calendar quarters commencing on or after July 1, [2013] [2014](#).

(2) Gross earnings derived from the first sale of the following petroleum products within this state shall be exempt from tax: (A) Any petroleum products sold for exportation from this state for sale or use outside this state; (B) the product designated by the American Society for Testing and Materials as "Specification for Heating Oil D396-69", commonly known as number 2 heating oil, to be used exclusively for heating purposes or to be used in a commercial fishing vessel, which vessel qualifies for an exemption pursuant to section 12-412; (C) kerosene, commonly known as number 1 oil, to be used exclusively for heating purposes, provided delivery is of both number 1 and number 2 oil, and via a truck with a metered delivery ticket to a residential dwelling or to a centrally metered system serving a group of residential dwellings; (D) the product identified as propane gas, to be used exclusively for heating purposes; (E) bunker fuel oil, intermediate fuel, marine diesel oil and marine gas oil to be used in any vessel having a displacement exceeding four thousand dead weight tons; (F) for any first sale occurring prior to July 1, 2008, propane gas to be used as a fuel for a motor vehicle; (G) for any first sale occurring on or after July 1, 2002, grade number 6 fuel oil, as defined in regulations adopted pursuant to section 16a-22c, to be used exclusively by a company which, in accordance with census data contained in the Standard Industrial Classification Manual, United States Office of Management and Budget, 1987 edition, is included in code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the North American Industrial Classification System United States Manual, United States Office of Management and Budget, 1997 edition; (H) for any first sale occurring on or after July 1, 2002, number 2 heating oil to be used exclusively in a vessel primarily engaged in interstate commerce, which vessel qualifies for an exemption under section 12-412; (I) for any first sale occurring on or after July 1, 2000, paraffin or microcrystalline waxes; (J) for any first sale occurring prior to July 1, 2008, petroleum products to be used as a fuel

for a fuel cell, as defined in subdivision (113) of section 12-412; or (K) a commercial heating oil blend containing not less than ten per cent of alternative fuels derived from agricultural produce, food waste, waste vegetable oil or municipal solid waste, including, but not limited to, biodiesel or low sulfur dyed diesel fuel.

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

(c) (1) Any company which imports or causes to be imported into this state petroleum products for sale, use or consumption in this state, other than a company subject to and having paid the tax on such company's gross earnings from first sales of petroleum products within this state, which earnings include gross earnings attributable to such imported or caused to be imported petroleum products, in accordance with subsection (b) of this section, shall pay a quarterly tax on the consideration given or contracted to be given for such petroleum product if the consideration given or contracted to be given for all such deliveries during the quarterly period for which such tax is to be paid exceeds three thousand dollars. Except as otherwise provided in subdivision (3) of this subsection, the rate of tax shall be (A) five per cent with respect to calendar quarters commencing prior to July 1, 2005; (B) five and eight-tenths per cent with respect to calendar quarters commencing on or after July 1, 2005, and prior to July 1, 2006; (C) six and three-tenths per cent with respect to calendar quarters commencing on or after July 1, 2006, and prior to July 1, [2007] [2008](#); (D) seven per cent with respect to calendar quarters commencing on or after July 1, [2007] [2008](#), and prior to July 1, [2008] [2009](#); (E) seven and one-half per cent with respect to calendar quarters commencing on or after July 1, [2008] [2009](#), and prior to July 1, [2013] [2014](#); and (F) eight and one-tenth per cent with respect to calendar quarters commencing on or after July 1, [2013] [2014](#). Fuel in the fuel supply tanks of a motor vehicle, which fuel tanks are directly connected to the engine, shall not be considered a delivery for the purposes of this subsection.

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

(3) The rate of tax on consideration given or contracted to be given for grade number 6 fuel oil, as defined in regulations adopted pursuant to section 16a-22c, to be used exclusively by a company which, in accordance with census data contained in the Standard Industrial Classification Manual, United States Office of Management and Budget, 1987 edition, is included in code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the North American Industrial Classification System United States Manual, United States Office of Management and Budget, 1997 edition, or number 2 heating oil used exclusively in a vessel primarily engaged in interstate commerce, which

vessel qualifies for an exemption under section 12-412 shall be: (A) Four per cent with respect to calendar quarters commencing on or after July 1, 1998, and prior to July 1, 1999; (B) three per cent with respect to calendar quarters commencing on or after July 1, 1999, and prior to July 1, 2000; (C) two per cent with respect to calendar quarters commencing on or after July 1, 2000, and prior to July 1, 2001; and (D) one per cent with respect to calendar quarters commencing on or after July 1, 2001, and prior to July 1, 2002.

(d) The amount of tax reported to be due on such return shall be due and payable on or before the last day of the month next succeeding the quarterly period. The tax imposed under the provisions of this chapter shall be in addition to any other tax imposed by this state on such company.

(e) For the purposes of this chapter, the gross earnings of any producer or refiner of petroleum products operating a service station along the highways or interstate highways within the state pursuant to a contract with the Department of Transportation or operating a service station which is used as a training or test marketing center under the provisions of subsection (b) of section 14-344d, shall be calculated by multiplying the volume of petroleum products delivered by any producer or refiner to any such station by such producer's or refiner's dealer tank wagon price or dealer wholesale price in the area of the service station.

Sec. 22. Subsection (a) of section 12-642 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to calendar years commencing on or after January 1, 2007*):

(a) (1) With respect to calendar years commencing prior to January 1, 2001, the tax imposed by section 12-640 for the calendar year shall be at a rate of the taxable gifts made by the donor during the calendar year set forth in the following schedule:

Amount of Taxable Gifts	Rate of Tax
Not over \$ 25,000	1%
Over \$ 25,000	\$ 250, plus 2% of the excess
but not over \$ 50,000	over \$ 25,000
Over \$ 50,000	\$ 750, plus 3% of the excess
but not over \$ 75,000	over \$ 50,000
Over \$ 75,000	\$ 1,500, plus 4% of the excess

but not over \$ 100,000	over \$ 75,000
Over \$ 100,000	\$ 2,500, plus 5% of the excess
but not over \$ 200,000	over \$ 100,000
Over \$ 200,000	\$ 7,500, plus 6% of the excess
	over \$ 200,000

(2) With respect to the calendar years commencing January 1, 2001, January 1, 2002, January 1, 2003, and January 1, 2004, the tax imposed by section 12-640 for each such calendar year shall be at a rate of the taxable gifts made by the donor during the calendar year set forth in the following schedule:

Amount of Taxable Gifts	Rate of Tax
Over \$ 25,000	\$ 250, plus 2% of the excess
but not over \$ 50,000	over \$ 25,000
Over \$ 50,000	\$ 750, plus 3% of the excess
but not over \$ 75,000	over \$ 50,000
Over \$ 75,000	\$ 1,500, plus 4% of the excess
but not over \$ 100,000	over \$ 75,000
Over \$ 100,000	\$ 2,500, plus 5% of the excess
but not over \$ 675,000	over \$ 100,000
Over \$ 675,000	\$ 31,250, plus 6% of the excess

over \$ 675,000

(3) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, 2005, but prior to January 1, 2007, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, but prior to January 1, 2007, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision:

Amount of Taxable Gifts	Rate of Tax
Not over \$ 2,000,000	None
Over \$ 2,000,000	
but not over \$ 2,100,000	5.085% of the excess over \$ 0
Over \$ 2,100,000	\$ 106,800 plus 8% of the excess
but not over \$ 2,600,000	over \$ 2,100,000
Over \$ 2,600,000	\$ 146,800 plus 8.8% of the excess
but not over \$ 3,100,000	over \$ 2,600,000
Over \$ 3,100,000	\$ 190,800 plus 9.6% of the excess
but not over \$ 3,600,000	over \$ 3,100,000
Over \$ 3,600,000	\$ 238,800 plus 10.4% of the excess
but not over \$ 4,100,000	over \$ 3,600,000
Over \$ 4,100,000	\$ 290,800 plus 11.2% of the excess

but not over \$ 5,100,000	over \$ 4,100,000
Over \$ 5,100,000	\$ 402,800 plus 12% of the excess
but not over \$ 6,100,000	over \$ 5,100,000
Over \$ 6,100,000	\$ 522,800 plus 12. 8% of the excess
but not over \$ 7,100,000	over \$ 6,100,000
Over \$ 7,100,000	\$ 650,800 plus 13. 6% of the excess
but not over \$ 8,100,000	over \$ 7,100,000
Over \$ 8,100,000	\$ 786,800 plus 14. 4% of the excess
but not over \$ 9,100,000	over \$ 8,100,000
Over \$ 9,100,000	\$ 930,800 plus 15. 2% of the excess
but not over \$ 10,100,000	over \$ 9,100,000
Over \$ 10,100,000	\$ 1,082,800 plus 16% of the excess
	over \$ 10,100,000

(4) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, 2007, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2007, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision:

Amount of Taxable Gifts

Rate of Tax

Not over \$2,000,000

None

Over \$2,000,000

5.085% of the excess over

but not over \$2,100,000

\$2,000,000

Over \$2,100,000

\$5,100 plus 10.0% of the excess

but not over \$2,600,000

over \$2,100,000

Over \$2,600,000

\$55,100 plus 11.0% of the excess

but not over \$3,100,000

over \$2,600,000

Over \$3,100,000

\$110,100 plus 12.0% of the excess

but not over \$3,600,000

over \$3,100,000

Over \$3,600,000

\$170,100 plus 13.0% of the excess

but not over \$4,100,000

over \$3,600,000

Over \$4,100,000

\$235,100 plus 14.0% of the excess

but not over \$5,100,000

over \$4,100,000

Over \$5,100,000

\$375,100 plus 15.0% of the excess

but not over \$6,100,000

over \$5,100,000

Over \$6,100,000

\$525,100 plus 16.0% of the excess

but not over \$7,100,000

over \$6,100,000

<u>Over \$7,100,000</u>	<u>\$685,100 plus 17.0% of the excess</u>
<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
<u>Over \$8,100,000</u>	<u>\$855,100 plus 18.0% of the excess</u>
<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
<u>Over \$9,100,000</u>	<u>\$1,035,000 plus 19.0% of the excess</u>
<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
<u>Over \$10,100,000</u>	<u>\$1,225,100 plus 20.0% of the excess</u>
	<u>over \$10,100,000</u>

Sec. 23. Subsection (a) of section 12-700 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to taxable years commencing on or after January 1, 2007*):

(a) There is hereby imposed on the Connecticut taxable income of each resident of this state a tax:

(1) At the rate of four and one-half per cent of such Connecticut taxable income for taxable years commencing on or after January 1, 1992, and prior to January 1, 1996.

(2) For taxable years commencing on or after January 1, 1996, but prior to January 1, 1997, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$ 2,250	3.0%
Over \$ 2,250	\$ 67.50, plus 4.5% of the

excess over \$ 2,250

(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

Connecticut Taxable Income	Rate of Tax
Not over \$ 3,500	3.0%
Over \$ 3,500	\$ 105.00, plus 4.5% of the excess over \$ 3,500

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or a person who files a return under the federal income tax as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

Connecticut Taxable Income	Rate of Tax
Not over \$ 4,500	3.0%
Over \$ 4,500	\$ 135.00, plus 4.5% of the excess over \$ 4,500

(D) For trusts or estates, the rate of tax shall be 4.5% of their Connecticut taxable income.

(3) For taxable years commencing on or after January 1, 1997, but prior to January 1, 1998, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$ 6,250	3.0%

Over \$ 6,250	\$ 187. 50, plus 4. 5% of the excess over \$ 6,250
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(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

Connecticut Taxable Income	Rate of Tax
Not over \$ 10,000	3. 0%
Over \$ 10,000	\$ 300. 00, plus 4. 5% of the excess over \$ 10,000

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

Connecticut Taxable Income	Rate of Tax
Not over \$ 12,500	3. 0%
Over \$ 12,500	\$ 375. 00, plus 4. 5% of the excess over \$ 12,500

(D) For trusts or estates, the rate of tax shall be 4. 5% of their Connecticut taxable income.

(4) For taxable years commencing on or after January 1, 1998, but prior to January 1, 1999, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
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Not over \$ 7,500	3. 0%
Over \$ 7,500	\$ 225. 00, plus 4. 5% of the excess over \$ 7,500

(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

Connecticut Taxable Income	Rate of Tax
Not over \$ 12,000	3. 0%
Over \$ 12,000	\$ 360. 00, plus 4. 5% of the excess over \$ 12,000

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

Connecticut Taxable Income	Rate of Tax
Not over \$ 15,000	3. 0%
Over \$ 15,000	\$ 450. 00, plus 4. 5% of the excess over \$ 15,000

(D) For trusts or estates, the rate of tax shall be 4. 5% of their Connecticut taxable income.

(5) For taxable years commencing on or after January 1, 1999, but prior to January 1, 2003, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$ 10,000	3. 0%
Over \$ 10,000	\$ 300. 00, plus 4. 5% of the excess over \$ 10,000

(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

Connecticut Taxable Income	Rate of Tax
Not over \$ 16,000	3. 0%
Over \$ 16,000	\$ 480. 00, plus 4. 5% of the excess over \$ 16,000

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

Connecticut Taxable Income	Rate of Tax
Not over \$ 20,000	3. 0%
Over \$ 20,000	\$ 600. 00, plus 4. 5% of the excess over \$ 20,000

(D) For trusts or estates, the rate of tax shall be 4. 5% of their Connecticut taxable income.

(6) For taxable years commencing on or after January 1, 2003, [but prior to January 1, 2007](#), in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$ 10,000	3.0%
Over \$ 10,000	\$ 300.00, plus 5.0% of the excess over \$ 10,000

(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

Connecticut Taxable Income	Rate of Tax
Not over \$ 16,000	3.0%
Over \$ 16,000	\$ 480.00, plus 5.0% of the excess over \$ 16,000

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

Connecticut Taxable Income	Rate of Tax
Not over \$ 20,000	3.0%
Over \$ 20,000	\$ 600.00, plus 5.0% of the excess over \$ 20,000

(D) For trusts or estates, the rate of tax shall be 5.0% of the Connecticut taxable income.

(7) For taxable years commencing on or after January 1, 2007, but prior to January 1, 2008, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$10,000</u>	<u>3.0%</u>
<u>Over \$10,000</u>	<u>\$300.00, plus 4.875% of the excess</u>
<u>but not over \$53,125</u>	<u>over \$10,000</u>
<u>Over \$53,125</u>	<u>\$2,402.34, plus 5.00% of the excess</u>
<u>but not over \$132,800</u>	<u>over \$53,125</u>
<u>Over \$132,800</u>	<u>\$6,386.09, plus 5.7% of the excess</u>
<u>but not over \$163,000</u>	<u>over \$132,800</u>
<u>Over \$163,000</u>	<u>\$8,107.49, plus 5.95% of the excess</u>
	<u>over \$163,000</u>

(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$16,000</u>	<u>3.0%</u>
<u>Over \$16,000</u>	<u>\$480.00, plus 4.875% of the excess</u>

<u>but not over \$80,000</u>	<u>over \$16,000</u>
<u>Over \$80,000</u>	<u>\$3,600.00, plus 5.00% of the excess</u>
<u>but not over \$200,000</u>	<u>over \$80,000</u>
<u>Over \$200,000</u>	<u>\$9,600.00, plus 5.7% of the excess</u>
<u>but not over \$400,000</u>	<u>over \$200,000</u>
<u>Over \$400,000</u>	<u>\$21,000.00, plus 5.95% of the excess</u>
	<u>over \$400,000</u>

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$20,000</u>	<u>3.0%</u>
<u>Over \$20,000</u>	<u>\$600.00, plus 4.875% of the excess</u>
<u>but not over \$100,000</u>	<u>over \$20,000</u>
<u>Over \$100,000</u>	<u>\$4,500.00, plus 5.00% of the excess</u>
<u>but not over \$250,000</u>	<u>over \$100,000</u>
<u>Over \$250,000</u>	<u>\$12,000.00, plus 5.7% of the excess</u>
<u>but not over \$500,000</u>	<u>over \$250,000</u>

Over \$500,000\$26,250.00, plus 5.95% of the excessover \$500,000

(D) For any person who files a return under the federal income tax for such taxable year as a married individual filing separately:

Connecticut Taxable IncomeRate of TaxNot over \$10,0003.0%Over \$10,000\$300.00, plus 4.875% of the excessbut not over \$50,000over \$10,000Over \$50,000\$2,250.00, plus 5.00% of the excessbut not over \$125,000over \$50,000Over \$125,000\$6,000.00, plus 5.7% of the excessbut not over \$250,000over \$125,000Over \$250,000\$13,125.00, plus 5.95% of the excessover \$250,000

(E) For trusts or estates, the rate of tax shall be 5.95% of the Connecticut taxable income.

(8) For taxable years commencing on or after January 1, 2008, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$10,000</u>	<u>3.0%</u>
<u>Over \$10,000</u>	<u>\$300.00, plus 4.75% of the excess</u>
<u>but not over \$53,125</u>	<u>over \$10,000</u>
<u>Over \$53,125</u>	<u>\$2,348.44, plus 5.00% of the excess</u>
<u>but not over \$132,800</u>	<u>over \$53,125</u>
<u>Over \$132,800</u>	<u>\$6,332.19, plus 5.875% of the excess</u>
<u>but not over \$163,000</u>	<u>over \$132,800</u>
<u>Over \$163,000</u>	<u>\$8,106.44, plus 6.5% of the excess</u>
	<u>over \$163,000</u>

(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$16,000</u>	<u>3.0%</u>
<u>Over \$16,000</u>	<u>\$480.00, plus 4.75% of the excess</u>
<u>but not over \$80,000</u>	<u>over \$16,000</u>
<u>Over \$80,000</u>	<u>\$3,520.00, plus 5.00% of the excess</u>

<u>but not over \$200,000</u>	<u>over \$80,000</u>
<u>Over \$200,000</u>	<u>\$9,520.00, plus 5.875% of the excess</u>
<u>but not over \$400,000</u>	<u>over \$200,000</u>
<u>Over \$400,000</u>	<u>\$21,270.00, plus 6.5% of the excess</u>
	<u>over \$400,000</u>

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$20,000</u>	<u>3.0%</u>
<u>Over \$20,000</u>	<u>\$600.00, plus 4.75% of the excess</u>
<u>but not over \$100,000</u>	<u>over \$20,000</u>
<u>Over \$100,000</u>	<u>\$4,400.00, plus 5.00% of the excess</u>
<u>but not over \$250,000</u>	<u>over \$100,000</u>
<u>Over \$250,000</u>	<u>\$11,900.00, plus 5.875% of the excess</u>
<u>but not over \$500,000</u>	<u>over \$250,000</u>
<u>Over \$500,000</u>	<u>\$26,587.50, plus 6.5% of the excess</u>
	<u>over \$500,000</u>

(D) For any person who files a return under the federal income tax for such taxable year as a married person filing separately:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$10,000</u>	<u>3.0%</u>
<u>Over \$10,000</u>	<u>\$300.00, plus 4.75% of the excess</u>
<u>but not over \$50,000</u>	<u>over \$10,000</u>
<u>Over \$50,000</u>	<u>\$2,200.00, plus 5.00% of the excess</u>
<u>but not over \$125,000</u>	<u>over \$50,000</u>
<u>Over \$125,000</u>	<u>\$5,950.00, plus 5.875% of the excess</u>
<u>but not over \$250,000</u>	<u>over \$125,000</u>
<u>Over \$250,000</u>	<u>\$13,293.75, plus 6.5% of the excess</u>
	<u>over \$250,000</u>

(E) For trusts or estates, the rate of tax shall be 6.5% of the Connecticut taxable income.

~~[(7)]~~ (9) The provisions of this subsection shall apply to resident trusts and estates and, wherever reference is made in this subsection to residents of this state, such reference shall be construed to include resident trusts and estates, provided any reference to a resident's Connecticut adjusted gross income derived from sources without this state or to a resident's Connecticut adjusted gross income shall be construed, in the case of a resident trust or estate, to mean the resident trust or estate's Connecticut taxable income derived from sources without this state and the resident trust or estate's Connecticut taxable income, respectively.

Sec. 24. (Effective July 1, 2007) The Commissioner of Revenue Services shall, pursuant to chapter 229 of the general statutes, issue new withholding tax tables effective July 1, 2007.

Sec. 25. Subsections (b) and (c) of section 12-704c of the general statutes are repealed and the following is substituted in lieu thereof (Effective July 1, 2007, and applicable to taxable years commencing on or after January 1, 2007):

(b) The credit allowed under this section shall not exceed two hundred fifteen dollars for the taxable year commencing on or after January 1, 1997, and prior to January 1, 1998; for taxable years commencing on or after January 1, 1998, but prior to January 1, 1999, three hundred fifty dollars; for taxable years commencing on or after January 1, 1999, but prior to January 1, 2000, four hundred twenty-five dollars; for taxable years commencing on or after January 1, 2000, but prior to January 1, 2003, five hundred dollars; for taxable years commencing on or after January 1, 2003, three hundred fifty dollars; for taxable years commencing on or after January 1, 2005, but prior to January 1, 2006, three hundred fifty dollars; [and] for taxable years commencing on or after January 1, 2006, but prior to January 1, 2007, five hundred dollars; and for taxable years commencing on or after January 1, 2007, one thousand dollars. In the case of any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing a joint return, the credit allowed, in the aggregate, shall not exceed such amounts for each such taxable year.

(c) (1) (A) For taxable years commencing prior to January 1, 2000, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-two thousand five hundred dollars, the amount of the credit that exceeds one hundred dollars shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(B) For taxable years commencing on or after January 1, 2000, but prior to January 1, 2001, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-three thousand five hundred dollars, the amount of the credit that exceeds one hundred dollars shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(C) For taxable years commencing on or after January 1, 2001, but prior to January 1, 2004, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-four thousand five hundred dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(D) For taxable years commencing on or after January 1, 2004, but prior to January 1, 2007, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-five thousand dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(E) For taxable years commencing on or after January 1, 2007, but prior to January 1, 2008, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds [fifty-five] eighty-two thousand five hundred dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(F) For taxable years commencing on or after January 1, 2008, but prior to January 1, 2009, in the case of any such taxpayer who files under the federal income tax for such taxable year as an

unmarried individual whose Connecticut adjusted gross income exceeds [fifty-six thousand five hundred] [eighty-four thousand three hundred](#) dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(G) For taxable years commencing on or after January 1, 2009, but prior to January 1, 2010, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds [fifty-eight thousand five hundred] [eighty-seven thousand three hundred](#) dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(H) For taxable years commencing on or after January 1, 2010, but prior to January 1, 2011, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds [sixty thousand five hundred] [ninety thousand three hundred](#) dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(I) For taxable years commencing on or after January 1, 2011, but prior to January 1, 2012, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds [sixty-two thousand five hundred] [ninety-three thousand three hundred](#) dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(J) For taxable years commencing on or after January 1, 2012, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds [sixty-four thousand five hundred] [ninety-six thousand three hundred](#) dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(2) In the case of any such taxpayer who files under the federal income tax for such taxable year as a married individual filing separately whose Connecticut adjusted gross income exceeds [fifty thousand two hundred fifty] [seventy-five thousand](#) dollars, the amount of the credit shall be reduced by ten per cent for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(3) In the case of a taxpayer who files under the federal income tax for such taxable year as a head of household whose Connecticut adjusted gross income exceeds [seventy-eight thousand five hundred] [one hundred seventeen thousand](#) dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(4) In the case of a taxpayer who files under federal income tax for such taxable year as married individuals filing jointly whose Connecticut adjusted gross income exceeds [one hundred thousand five hundred] [one hundred fifty thousand](#) dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut

adjusted gross income exceeds said amount.

Sec. 26. (NEW) (*Effective July 1, 2007, and applicable to taxable years commencing on or after January 1, 2007*) Any person who qualifies for and claims the earned income credit allowable under Section 32 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, for any taxable year shall be entitled to a credit in determining the amount of tax liability under chapter 229 of the general statutes for such taxable year. The credit allowed under this section shall equal twenty per cent of the credit allowed under Section 32 of said Internal Revenue Code for the taxable year. If the amount of the credit allowed under this section exceeds the taxpayer's liability, the Commissioner of Revenue Services shall treat such excess as an overpayment and shall pay the taxpayer the amount of such excess, without interest.

Sec. 27. Section 29-112 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

The following fees shall be collected by the commissioner and by him paid to the State Treasurer: For inspection and annual approval of any premises or place where moving picture films are used or exhibited, [~~thirty-five~~] fifty dollars; for inspection and approval of any projection room or area as defined in regulations adopted under section 29-109, [~~ten~~] twenty-five dollars; for inspection of any other building or plan of building, incident to the administration of section 29-109, [~~ten~~] twenty-five dollars. Permits and approvals issued under the provisions of said sections may be for definite dates only, but, unless otherwise specified, shall cover the premises described from date of issue until the first day of February next following.

Sec. 28. Section 29-117 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

No person shall exhibit, show or use any moving picture film, reel or view in any place to which an admission fee is charged, except in a church, parish house, school or other building of a religious, ecclesiastical or educational organization in furtherance of its purposes, without a license for such purpose issued by the Commissioner of Public Safety. The commissioner, after investigation, shall issue the license required herein to any person found by him to be a suitable person, provided he shall have received a written application therefor, which application shall describe the location of the place and shall give its seating capacity and such other information as the commissioner requires. Such license shall be effective until September first next following its issuance, unless suspended or revoked for cause, and the applicant shall pay for the same and for each renewal thereof the sum of [~~thirty-five~~] fifty dollars. When any person so licensed exhibits, shows or uses or permits to be exhibited, shown or used in any place described in such license any moving picture film, title, subtitle or part thereof, reel or view of an immoral, degrading or criminal character, or which is unlawful under the provisions of section 53a-194 or 53a-196, the commissioner may, upon complaint or upon his own motion, suspend or revoke the license of such person. No license shall be granted to any person to whom two of the licenses issued have been either suspended or revoked. Any person, or the officer of any corporation, violating any provision of this section shall be fined not more than one thousand dollars or imprisoned not more than one year or both.

Sec. 29. Section 29-130 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

The Commissioner of Public Safety shall prescribe a form of application to be signed by each applicant and may require such information respecting the business in which the applicant proposes to engage as he finds necessary to safeguard the public from all forms of lascivious conduct, immoral practices, vice or violations of the law. Said commissioner or any employee of the Department of Public Safety authorized by him for said purpose may enter into any place so licensed or upon the premises where such business is being conducted for the purpose of observing the conduct of the same. Said commissioner shall issue to each applicant so licensed a certificate to be designated "amusement park license", and each certificate shall state the name of the applicant, the location of the place where such amusement, entertainment, diversion or recreation may be conducted and the hours each day during which the same may be conducted. Each certificate shall be displayed conspicuously for public view by the licensee at the place where the business so licensed is conducted. Any such license may be suspended or revoked by said commissioner whenever it appears that any of the conditions required to be stated in such license have been violated. Such applications and license certificates shall be printed at the expense of the state. The annual license fee shall be [thirty-five] fifty dollars to be paid by the applicant to the Commissioner of Public Safety with each application for such license. Such licenses shall not be transferable and, if any licensee voluntarily discontinues operations thereunder, all rights secured thereby shall terminate. On and after January 1, 1986, the license year shall be from January first until December thirty-first following, inclusive. Each such license shall be for a period of one license year.

Sec. 30. Section 29-134 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

No owner shall exhibit or provide any amusement, as defined in section 29-133, in this state unless he has obtained a license therefor as hereinafter provided and otherwise complies with the provisions of sections 29-133 to 29-142, inclusive. An annual license fee of [fifty] one hundred dollars shall be paid by the applicant to the Commissioner of Public Safety with each application for such amusement license.

Sec. 31. Section 29-193 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

No new elevator or escalator shall be erected or installed and no elevator or escalator shall be relocated or altered until detailed plans and specifications of the proposed construction or other work have been submitted in triplicate to the department for approval. A fee of [one hundred fifty] two hundred dollars for each elevator or escalator payable to the department shall accompany each such proposal. Notice that such plans are approved or disapproved shall be given within a reasonable time and final inspection of the elevator or escalator, when installed, relocated or altered, shall be made before final approval for operation is given by the department. The department may issue a temporary operating permit, if necessary, pending final inspection and approval. The provisions of this chapter shall not prevent the operation of any elevator installed for temporary use in connection with building operations or the operation of any elevator for purposes connected with the installation or the testing of the same.

Sec. 32. Section 29-196 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

As soon as the department approves any new, relocated or altered elevator or escalator as being fit for operation, it shall issue to the owner a certificate of operation for a capacity and speed specified

in the inspector's report. The fee for the certificate first issued shall be [one hundred fifty] two hundred dollars. Such certificate shall be posted conspicuously in the car or cage or on the platform of the elevator or escalator and shall be valid for twelve months. Thereafter, the certificate shall be renewed [each year] every two years upon receipt of the renewal fee of [forty] one hundred twenty dollars, except that private residence elevators, as defined in the regulations adopted pursuant to section 29-192, shall not be subject to said renewal requirement. No fee shall be required of the state or any agency of the state. No elevator or escalator may be lawfully operated without such certificate.

Sec. 33. Section 29-204 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

No new passenger tramway shall be erected or installed and no passenger tramway shall be relocated or altered until detailed plans and specifications of the proposed construction or other work have been submitted in duplicate to the department for approval. A fee of [one] two hundred dollars payable to the Department of Public Safety shall accompany each such proposal. Notice that such plans are approved or disapproved shall be given within a reasonable time, and final inspection of the passenger tramway, when installed, relocated or altered, shall be made before final approval for operating is given by the department.

Sec. 34. Section 29-206 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

The department shall enforce the regulations adopted pursuant to section 29-203, and shall inspect the construction, operation and maintenance of passenger tramways to determine whether such regulations have been complied with by the operators. Each passenger tramway shall be thoroughly inspected by a qualified inspector approved by the department at least once every twelve months. More frequent inspections of any passenger tramway may be made if the condition thereof indicates that additional inspections are necessary or desirable. As soon as the department inspects and approves any passenger tramway as being fit for operation, it shall issue to the operator, upon receipt of a fee of [one hundred fifty] two hundred dollars, a certificate of operation with such conditions and limitations as the commissioner shall prescribe. Such certificate shall be valid for twelve months and shall be renewed yearly, if the department approves the passenger tramway, upon payment of a renewal fee of [eighty] one hundred dollars. No passenger tramway may be operated without such operating certificate.

Sec. 35. Section 29-237 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

All boilers included under this chapter shall be inspected by a state boiler inspector or by a special inspector employed by an insurance company licensed to insure boilers in this state as follows:

(1) Power boilers, meaning boilers operating at steam or vapor pressures in excess of fifteen pounds per square inch gauge, except power boilers that operate with internal water treatment under the direct supervision of a qualified engineer, shall be inspected each year. Such boiler inspection shall consist of (A) a thorough internal and external inspection while not under pressure, and (B) an external inspection under operating conditions not more than six months after the internal and external inspection. No more than fourteen months shall elapse between internal inspections and between external inspections while under pressure.

(2) Power boilers that operate with internal water treatment under the direct supervision of a qualified engineer shall be inspected every eighteen months. Such boiler inspection shall consist of (A) a thorough internal and external inspection while not under pressure, and (B) an external inspection under operating conditions not more than nine months after the internal and external inspection.

(3) Where construction will permit, low pressure steam or vapor heating boilers, hot water heating boilers, hot water supply boilers and hot water heaters shall be inspected externally biennially and internally at the discretion of the boiler inspector. If a boiler inspector decides a hydrostatic test is necessary to determine the safety of a boiler or heater, such test shall be made under the inspector's direction. The Commissioner of Public Safety may order inspections by the Department of Public Safety or the insurance carrier in addition to the regular annual or biennial inspections to clear up any doubts as to the safety of continuing the operation of any boiler or heater included in this chapter. [, but no additional fee shall be charged or allowed for such additional inspections, unless the owner or user is found to have operated or ordered or permitted the operation of such boiler or heater, intentionally or negligently, in violation of this chapter or the boiler regulations.] Each boiler insurance carrier shall forward to the commissioner, [within] not later than thirty days [following] after each inspection as required by this chapter, a report of such inspection upon appropriate forms as promulgated by the commissioner, who may use the form suggested by the American Society of Mechanical Engineers.

Sec. 36. Section 29-238 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

[The owner or user of a boiler required by this chapter to be inspected by the Commissioner of Public Safety or by state boiler inspectors shall pay to the commissioner at the time of inspection a fee as follows:

(1) Boilers of fifty square feet or less of heating surface, thirty dollars; boilers of over fifty square feet of heating surface and less than one thousand square feet, forty dollars; boilers of over one thousand square feet of heating surface and less than four thousand square feet, sixty dollars; boilers of at least four thousand square feet of heating surface and less than ten thousand square feet of heating surface, eighty dollars; boilers of at least ten thousand square feet of heating surface, one hundred dollars. External inspection: Boilers having fifty square feet or less of heating surface, twenty dollars; boilers having over fifty square feet of heating surface, twenty-five dollars. Not more than the equivalent of the internal and external inspection fees shall be charged or collected for any and all such inspections of any boiler in any one year.

(2) Inspection of heating boilers without a manhole, thirty dollars; inspection of heating boilers with a manhole, fifty dollars; inspection of hot water supply boilers and hot water heaters, thirty dollars. Not more than one fee shall be charged or collected for any and all such inspections of any low pressure boiler in any two-year period.

(3) An additional fee based on the scale of fees applicable to an internal inspection of the boiler shall be charged in any instance where it is necessary to make a special trip to witness a hydrostatic test.]

The owner or user of a boiler required by this chapter to be inspected by the Commissioner of Public Safety, state boiler inspectors or special inspectors shall pay to the commissioner the sum of

forty dollars for each operating certificate issued. No fee shall be required of the state or any agency of the state. All fees collected by the commissioner under authority of this chapter shall be transferred by the commissioner to the State Treasurer for deposit in the General Fund. If the report of inspection by the Department of Public Safety inspector or special inspector indicates that any boiler meets the requirements of this chapter and the boiler regulations, an operating certificate shall be issued by the commissioner to the owner or user. Such certificate shall state the pressure and other conditions under which such boiler may be lawfully operated. An operating certificate shall be valid for a period of not more than twelve months from the date of internal inspection, in the case of power boilers inspected pursuant to subdivision (1) of section 29-237, except that the certificate shall be valid for a period of not more than two months beyond the period set by the Commissioner of Public Safety in accordance with section 29-237. An operating certificate shall be valid for a period of not more than eighteen months from the date of internal inspection in the case of power boilers inspected pursuant to subdivision (2) of section 29-237. Operating certificates shall be valid for twenty-four months in the case of low pressure steam or vapor heating boilers, hot water heating boilers, hot water supply boilers and hot water heaters approved by a nationally recognized testing agency. If a boiler inspected by a state boiler inspector or special inspector commissioned by said commissioner is found to conform with the requirements of this chapter and the boiler regulations, an operating certificate shall be issued by said commissioner to the owner or user upon the receipt of the insuring company's report or the state boiler inspector's report. **[and such owner or user shall be exempt from the inspection fees provided by this section, except that for each certificate so issued the owner or user of the boiler shall pay to said commissioner the sum of twenty dollars.]** Said commissioner may order reinspection if reasonable doubt exists regarding any inspection. Such certificate shall state the pressure and other conditions under which such boiler may be lawfully operated and shall be valid not more than the period indicated in this section and shall be renewed each year in the case of power boilers inspected pursuant to subdivision (1) of section 29-237, every eighteen months in the case of power boilers inspected pursuant to subdivision (2) of section 29-237, and biennially in the case of hot water heating or hot water supply boilers and hot water heaters. An operating certificate shall be immediately invalid if the boiler is relocated or altered, unless such relocation or alteration has been approved in accordance with this chapter or the boiler code and regulations. No boiler shall be operated unless a valid operating certificate is displayed under glass in a conspicuous place in the room in which such boiler is located. If the boiler is not located within the building, the certificate shall be posted in a location convenient to the boiler inspected. In the case of a portable boiler such certificate shall be kept in a metal container to be fastened to the boiler or kept in a tool box accompanying the boiler.

Sec. 37. Section 29-349 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) The Commissioner of Public Safety shall have exclusive jurisdiction in the preparation of and may enforce reasonable regulations for the safe and convenient storage, transportation and use of explosives and blasting agents used in connection therewith, which regulations shall deal in particular with the quantity and character of explosives and blasting agents to be stored, transported and used, the proximity of such storage to inhabited dwellings or other occupied buildings, public highways and railroad tracks, the character and construction of suitable magazines for such storage, protective measures to secure such stored explosives and blasting agents and the abatement of any hazard that may arise incident to the storage, transportation or use of such explosives and blasting agents.

(b) No person, firm or corporation shall engage in any activity concerning the storage, transportation or use of explosives unless such person, firm or corporation has obtained a license therefor from the Commissioner of Public Safety. Such license shall be issued upon payment of a fee of [fifty] one hundred dollars and upon submission by the applicant of evidence of good moral character and of competence in the control and handling of explosives, provided, if such license is for the use of explosives, it may be issued only to an individual person after demonstration that such individual is technically qualified to detonate explosives. Any such license to use explosives shall bear both the fingerprints of the licensee obtained by the Commissioner of Public Safety at the time of licensing, and the licensee's photograph, furnished by the licensee, of a size specified by the commissioner and taken not more than one year prior to the issuance of the license. Each such license shall be valid for one year from the date of its issuance, unless sooner revoked or suspended, and may be renewed annually thereafter upon a payment of [thirty] seventy-five dollars.

(c) The Commissioner of Public Safety shall require any applicant for a license under this section to submit to state and national criminal history records checks. The criminal history records checks required pursuant to this subsection shall be conducted in accordance with section 29-17a.

(d) No person shall manufacture, keep, store, sell or deal in any explosives unless such person has a valid license under the provisions of subsection (b) of this section and obtains from the Commissioner of Public Safety or from the fire marshal of the town where such business is conducted a written permit therefor, which permit shall not be valid for more than one year and for which such person shall pay a fee of [twenty-five] fifty dollars. If the permit is issued by the Commissioner of Public Safety, the commissioner shall forward a copy thereof to the local fire marshal. Such permit so granted shall definitely state the location of the building where such business is to be carried on or such explosive deposited and shall state that such building or premises complies with the regulations provided for in this section.

(e) No person shall procure, transport or use any explosives unless such person has a valid license under subsection (b) of this section and has obtained a written permit therefor signed by the Commissioner of Public Safety or by the fire marshal of the town where such explosive is to be used, specifying the name of the purchaser, the amount to be purchased and transported and the purpose for which it is to be used. Any such permit to use explosives shall state the number of years the permittee has been engaged in blasting activity. Such permit shall be valid for such period, not longer than one year, as is required to accomplish the purpose for which it was obtained. No carrier shall transport any such explosive until the vehicle transporting the explosive has been inspected and approved by the Department of Public Safety and unless such written permit accompanies the same and no person shall have in such person's possession any such explosive unless such person has a license and permit therefor. The fee for such inspection shall be [twenty-five] fifty dollars. The fee for such permit shall be [twenty] thirty dollars. Each person who has in such person's custody or possession any explosive or any detonating caps for explosives shall keep the same either under personal observation or securely locked up.

(f) Any license or permit issued under the provisions of this section may be suspended or revoked by the issuing authority for violation by the licensee or permittee of any provision of law or regulation relating to explosives or conviction of such licensee or permittee of any felony or misdemeanor. Suspension or revocation of a license shall automatically suspend or revoke the permit and the suspension or revocation of a permit shall automatically suspend or revoke the license.

(g) Any person who, by himself or herself or by such person's employee or agent or as the employee or agent of another, violates any provision of this section, or any regulation made by the Commissioner of Public Safety pursuant to the provisions of this section, shall be fined not more than ten thousand dollars or imprisoned not more than ten years or both.

(h) As used in this section, "blasting agent" means any material, composition or mixture intended for blasting, consisting substantially of a fuel and oxidizer, none of the ingredients of which is an explosive as defined in section 29-343, and the finished product of which as mixed and packaged for use or shipment cannot be detonated by the test procedure established by regulations adopted by the Commissioner of Public Safety in accordance with chapter 54.

(i) Notwithstanding the provisions of this section, the Labor Commissioner shall regulate the storage, transportation and use of explosives and blasting agents in places of employment insofar as such activities relate to employee health and safety, provided such regulations shall be no less stringent than those prepared and enforced by the Commissioner of Public Safety pursuant to this section.

Sec. 38. Section 29-357 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) Except as provided in subsection (b) of this section, no person, firm or corporation shall offer for sale, expose for sale, sell at retail or use or explode or possess with intent to sell, use or explode any fireworks. A person who is sixteen years of age or older may offer for sale, expose for sale, sell at retail, purchase, use or possess with intent to sell or use sparklers or fountains of not more than one hundred grams of pyrotechnic mixture per item, which are nonexplosive and nonaerial, provided (1) such sparklers and fountains do not contain magnesium, except for magnalium or magnesium-aluminum alloy, (2) such sparklers and fountains containing any chlorate or perchlorate salts do not exceed five grams of composition per item, and (3) when more than one fountain is mounted on a common base, the total pyrotechnic composition does not exceed two hundred grams.

(b) The State Fire Marshal shall adopt reasonable regulations, in accordance with chapter 54, for the granting of permits for supervised displays of fireworks or for the indoor use of pyrotechnics, sparklers and fountains for special effects by municipalities, fair associations, amusement parks, other organizations or groups of individuals or artisans in pursuit of their trade. Such permit may be issued upon application to said State Fire Marshal and after (1) inspection of the site of such display or use by the local fire marshal to determine compliance with the requirements of such regulations, (2) approval of the chiefs of the police and fire departments, or, if there is no police or fire department, of the first selectman, of the municipality wherein the display is to be held as is provided in this section, and (3) the filing of a bond by the applicant as provided in section 29-358. No such display shall be handled or fired by any person until such person has been granted a certificate of competency by the State Fire Marshal, in respect to which a fee of [fifty] [one hundred](#) dollars shall be payable to the State Treasurer when issued and which may be renewed every three years upon payment of a fee of [thirty] [one hundred fifty](#) dollars to the State Treasurer, provided such certificate may be suspended or revoked by said marshal at any time for cause. Such certificate of competency shall attest to the fact that such operator is competent to fire a display. Such display shall be of such a character and so located, discharged or fired as in the opinion of the chiefs of the police and fire departments or such selectman, after proper inspection, will not be hazardous to property or endanger any person or persons. In an aerial bomb, no salute, report or

maroon may be used that is composed of a formula of chlorate of potash, sulphur, black needle antimony and dark aluminum. Formulas that may be used in a salute, report or maroon are as follows: (A) Perchlorate of potash, black needle antimony and dark aluminum, and (B) perchlorate of potash, dark aluminum and sulphur. No high explosive such as dynamite, fulminate of mercury or other stimulator for detonating shall be used in any aerial bomb or other pyrotechnics.

Application for permits shall be made in writing at least fifteen days prior to the date of display, on such notice as the State Fire Marshal by regulation prescribes, on forms furnished by him, and a fee of [thirty-five] fifty dollars shall be payable to the State Treasurer with each such application. After such permit has been granted, sales, possession, use and distribution of fireworks for such display shall be lawful for that purpose only. No permit granted hereunder shall be transferable. Any permit issued under the provisions of this section may be suspended or revoked by the State Fire Marshal or the local fire marshal for violation by the permittee of any provision of the general statutes, any regulation or any ordinance relating to fireworks.

(c) The State Fire Marshal may grant variations or exemptions from, or approve equivalent or alternate compliance with, particular provisions of any regulation issued under the provisions of subsection (b) of this section where strict compliance with such provisions would entail practical difficulty or unnecessary hardship or is otherwise adjudged unwarranted, provided any such variation, exemption, approved equivalent or alternate compliance shall, in the opinion of the State Fire Marshal, secure the public safety and shall be made in writing.

(d) Any person, firm or corporation violating the provisions of this section shall be fined not more than one hundred dollars or imprisoned not more than ninety days or be both fined and imprisoned, except that (1) any person, firm or corporation violating the provisions of subsection (a) of this section by offering for sale, exposing for sale or selling at retail or possessing with intent to sell any fireworks with a value exceeding ten thousand dollars shall be guilty of a class A misdemeanor, and (2) any person, firm or corporation violating any provision of subsection (b) of this section or any regulation adopted thereunder shall be guilty of a class A misdemeanor, except if death or injury results from any such violation, such person, firm or corporation shall be fined not more than ten thousand dollars or imprisoned not more than ten years, or both.

Sec. 39. Section 29-365 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

The fee to be paid to the licensing authority upon each application shall be as follows: For a fireworks manufacturing license, [one] two hundred dollars; for a dealer, wholesaler and jobber, [fifty] two hundred dollars. Fees collected by the State Fire Marshal shall be paid to the State Treasurer.

Sec. 40. Section 29-402 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) No person shall engage in the business of demolition of buildings without a certificate of registration obtained from the Department of Public Safety. An applicant for initial registration shall file an application with the Department of Public Safety, furnish evidence of expertise and financial responsibility and pay a fee of three hundred fifty dollars for a class B certificate and seven hundred fifty dollars for a class A certificate. Each certificate shall be valid for twelve months from date of issuance and shall be renewable on application of the registrant upon payment of an annual fee of two hundred dollars for a class B certificate and six hundred dollars for a class A

certificate. The department may refuse to issue any such certificate for cause, and may revoke or refuse to renew any such certificate for failure to carry out and conform to the provisions of this part or to any regulations adopted hereunder, or for any violation of title 22a. No person shall be refused a certificate or a renewal thereof, and no certificate shall be revoked, without an opportunity for a hearing conducted by the Department of Public Safety.

(b) As used in this part, the term "registration" includes the whole or part of any permit which the Department of Public Safety issues under authority of the general statutes and which (1) requires persons to place their names on a list maintained by the department before they can engage in the business of demolition of buildings, (2) does not require a person to demonstrate competence by examination or other means, and (3) may be revoked or suspended by the department for cause.

(c) The provisions of this section shall not apply to (1) a person who is engaged in the disassembling, transportation and reconstruction of historic buildings for historical purposes or in the demolition of farm buildings or in the renovation, alteration or reconstruction of a single-family residence, (2) the removal of underground petroleum storage tanks, (3) the burning of a building or structure as part of an organized fire department training exercise, or (4) the demolition of a single-family residence or out building by an owner of such structure if it does not exceed a height of thirty feet, provided (A) the owner shall be present on site while such demolition work is in progress and shall be held personally liable for any injury to individuals or damage to public or private property caused by such demolition, and (B) such demolition shall be permitted only with respect to buildings which have clearance from other structures, roads or highways equal to or greater than the height of the structure subject to demolition. The local building official may require additional clearance when deemed necessary for safety.

Sec. 41. Subparagraph (A) of subdivision (37) of subsection (a) of section 12-407, subdivision (47) of section 12-412 and section 12-412b of the general statutes are repealed. (*Effective July 1, 2007, and applicable to sales occurring on or after July 1, 2007*)

Vetoed May 31, 2007