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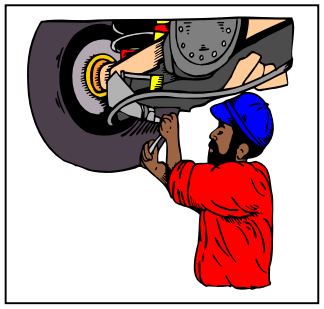

CT headed for second-largest surplus in state history!

Gov. Lamont & Legislative Leaders of the both Parties:

I am sure you have seen and read the headlines for the above story. I write too all of you today because all of you have publicly stated your desire to Help Ct Consumers/Taxpayers. I believe you but it gets harder when I have been requesting, pestering all in the legislature for over 6 years now to eliminate or reduce the Connecticut Gross Receipts Tax. As you all are well aware of the program this tax was intended to fund the Connecticut Underground Tank Fund, and that Program was eliminated in 2010. I was appointed and sat on that review board as a non-paid member as all board members volunteered to be on this board and the only paid members were State Employees! We volunteered our time for nothing, not even parking reimbursement because we believed what the State was doing was a great benefit to all in the State of Connecticut!

The Program NEVER received all the funds generated by the Tax which simply means consumers were overcharged and the tax was not spent on its intended purpose. The fund generates over $250 to $350 Annually. This has provided the State with a Slush Fund of Tax Revenue intended for 1 Program and then funds are diverted to fund outer programs by the Legislature. In the first year I wrote and discussed all of this with you and many in the Legislature, the excuse was we have budget deficits and need to fix that. I accepted that excuse. Now as the headline reports we are in the 3rd consecutive year of multi million dollars state surpluses and I strongly request you consider at the very least changing the Connecticut Gross Receipts Tax, which is currently charged at 8.1% of the wholesale cost of gasoline in Connecticut on the millions of gallons purchased annually. This mean with today wholesale price of gasoline which varies by grade and brand of gasoline the low means Connecticut Taxpayers are forced to pay an additional $.159 cents per gallon extra and at the highest price today those Taxpayers pay an additional $.197 cents per gallon extra for a Tax on a Program than has NOT EXISTED since 2010.

(***Funding of the Commercial Program)***

The commercial program is funded by a portion of the petroleum products gross earnings tax (CGS § 22a-449b). Currently, one-third of the quarterly total of the gross earnings tax is earmarked for the Underground Storage Tank Clean-Up Account. But, **beginning October 1, 2002, the share of the tax revenue earmarked for this purpose will be a flat $3 million per quarter (PA 02-80). The act also eliminated a requirement that the comptroller stop crediting revenue to the account when its balance exceeds $15 million and resume when it falls below $5 million. (But § 75 of PA 02-1 of the May Special Session prohibits transfers of the tax payments due in FY 2002-03 to the Account.)**

In 2022 the Legislature thought it so critical important to suspend the State Gas Tax which is fixed at $.25 per gallon to suspend that tax and after 6 months gradually bring back the Tax to its final $.25 cents per gallon rate. I had to sit and hold back my frustration and anger of both political parties took the media to tout the huge savings consumers received for those 6 months. Both parties were correct, consumers saved for those 6 months and the savings was real and was fully passed on to consumers as we agree the law to be written is such a way that was required by Connecticut Gasoline Retailers. Those Gasoline Retailers contribute millions of Sales Taxes, Gas Tax, Gross Receipts Tax and income Tax to the State General Fund. Enough is enough.

My request is simple, with limited time left in this legislative session, amend the Gross Receipts Tax from a percentage tax to a fixed cents per gallon to $.05 cents per gallon as a starting point to phase it out entirely!! This in my humble opinion is pure theft by the State and both legislative parties. As always, we will support language in the Bill that REQUIRES all gasoline retailers to pass on this tax saving to consumers as soon as the inventory in their tanks paying the higher tax amount is sold. To cover the entire State, some will be able to do this within 48 hours and some will need 5 days as lower volume stations will take longer to sell off the inventory paying the higher tax until the purchase new inventory at the lower taxed amount!

I see this as a huge win win not only for Connecticut consumers, but Connecticut small businesses owners and a huge win for both parties and or the single party that pushes this thru! Please give serious consideration to helping those mentioned above!!

Michael J Fox

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