

Legislative History for Connecticut Act

PA13-232

Act Number:	232	Year:	2013
Bill Number:	SB1052		
House Pages:	10167-10173		7
Senate Pages:	5006-5023, 5043-5044		20
Finance:	633-636, 643-644, 646-650, 725-726, 739-743		18
	Total pages		45

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate
and House of Representatives Proceedings

Connecticut State Library

Compiled 2013

**JOINT
STANDING
COMMITTEE
HEARINGS**

**FINANCE
REVENUE
AND BONDING
PART 3
616 - 925**

2013

JOHN JOHNSON: Good morning.

REP. WRIGHT: Nice to see you here. I -- I agree totally. It's a tough environment out there, and boaters, not all of whom are extremely wealthy, are very savvy and frugal with how they're spending their money these days, and our local marinas and -- and marine trade and boat stores and maintenance builders, restorers, are such an important component of our shoreline and coastal economy, particularly at the Eastern end of Long Island, where it's very, very competitive with Rhode Island.

And so I support both of these measures, all of these measures, and thank you for your advocacy and taking the time to visit us and present your testimony today.

JOHN JOHNSON: Thank you very much.

GRANT WESTERSON: Thank you, Representative.

SENATOR FONFARO: And unless there are further questions, thank you gentlemen very much.

JOHN JOHNSON: We appreciate very much our opportunity to plead our case. Thank you.

SENATOR FONFARO: Thank you. We'll turn now to our invited speakers, Comptroller and Commissioner Sullivan. Commissioner Sullivan, if you're closest to the chair?

SB1046 SB1052
SB1055 SB1053

COMM. SULLIVAN: While I sit down, let me add to Representative Widlitz's advice at the opening of the hearing in terms of safety procedures. If at any time during the commissioner's remarks you should lose consciousness, the oxygen mask will drop from the ceiling.

HB6567 HB6568
HB6566

March 11, 2013

rgd/med/mb/gbr FINANCE, REVENUE AND 10:30 A.M.
BONDING COMMITTEE

Good morning, Senator Fonfara, Representative Widlitz, members of the committee. Thank you for this opportunity to offer testimony in support of the agency's legislative proposals for this session. Let me thank you also for the committee's continued hard work in what are difficult and continue to be difficult financial times for our state and other states.

The legislation that we bring you this morning is part and parcel of our efforts at the department to work smarter, and to maximize revenue without increasing taxes. All of the bills that we have in front of you will do that. Let me briefly touch on them. Senate Bill 1046, this is the most reached -- it's truly truly truly technical, and I don't think you will find anything different when you look at it.

Senate Bill 10 -- oh, this is a new thing for me to get used to -- okay Senate Bill 1052, Section 1 will significantly improve and increase cigarette tax collection in the State of Connecticut. This will allow us to move to point of sale by wholesalers rather than currently point of sale by resalers. That will be a more effective and expected means of collecting taxes. The retailers will then -- the wholesalers will then obviously pass along to the wholesalers. The wholesalers will be made whole at the time of sale.

In the event -- and we've discussed this with the -- with the cigarette wholesalers, that in the event that the retailer does not make good on the purchase, as they sometimes do, either from a tax or cigarette standpoint, there is a statute currently in place that allows for that bad debt to be recovered by the -- by the wholesaler as a credit.

BONDING COMMITTEE

In addition to which, the only tax that the retailer would be responsible for would be the difference between the wholesale price and the retail price. Again, a huge -- a huge improvement in terms of efficiency and effectiveness and cost in collection.

Sections 2, 3, 6 and 7 simply bring consistency to the timing of refunds, and how they are calculated under a variety of taxes. It also removes a -- something of an incentive, oddly enough, in this environment, for people to perhaps overpay taxes, believe it or not, because the return on that deposit that they make with the state will be larger than the return on that deposit they would make with any other financial institution given the condition of interest rates.

Our interest rate on refund is much higher than any bank interest rate on a deposit, so there's a strange incentive here for some folks to overpay.

Section 5 creates an offsetting credit under the petroleum gross receipts tax, an issue that I -- a tax that I know is familiar to you from years past. This will broaden the variety of products that are not taxed under the tax, products tax are exported outside of the state. This is primarily to assist EECD and some initiatives it has for job creation and job development within the State of Connecticut.

Section 4, while not a proposal of the Department of Revenue Services, is one that was before this committee last session and indeed was in legislation enacted last session. We will defer to the governor's office, in terms of the merits of the legislation.

I would only observe that it is a relatively

modest revenue impact, perhaps \$300,000, and tax at some point in time we would invite this committee to join with us and the governor's office in an overall review of the petroleum gross receipts tax. It is one of the more obscure and difficult taxes when you get beyond gas, old and what most people think are subject to it.

Senate Bill 1055 is both DECD and DRS and money of the proposals here come out of the governor's business tax task force, with respect to simplification and clarification of a variety of business tax credits.

Section 1 establishes parity under the insurance premium tax, with the ordering of credits currently under the corporation income tax. That's an area that has been confusing, so it will set the same ground rules for both tax treatments.

Sections 2 and 3 simply consolidate two existing open space tax credits. Commissioner Smith has been looking for as many ways as possible to reduce the number of stand-alone credits, stand-alone credits add to administrative cost and add nothing to the economic benefit.

Section 4 corrects a problem with 2011 legislation. It needs to be -- have consistent treatment of all film-related tax credits, with respect to the number of years that those tax credits may be claimed. So it will set the same claiming rules for all of the tax credits related to film.

Section 5 will increase the value of new credits for apprenticeships. This is an under-utilized program right now. I don't know whether this is going to turn the corner on.

COMM. SULLIVAN: Good morning.

REP. SAWYER: So I understand the cigarette tax issue. That makes sense. Could you explain to me then would the retailer -- it would cost the retailer more per carton and pack because they're paying up front for the tax?

SB1052

COMM. SULLIVAN: Yes. So the wholesaler is going to remit the tax to us. And there's a smaller number of wholesalers who obviously that's a major efficiency right there. They tend to be more sophisticated businesses. They're better able to handle it. In their price to the -- to the retailer, they would then obviously seek to recover that, so yes, that tax would be on that before it's been collected at the door.

So there is a cash flow issue. No doubt about it. On the other hand, they get made whole on the day that they sell that package of cigarettes, plus they're marked up.

REP. SAWYER: So we're charging a tax before it's been sold?

COMM. SULLIVAN: No. It's a tax on the transition of the sale from the retailer to the wholesaler -- from the wholesaler to the retailer.

REP. SAWYER: So the wholesaler is paying a tax before it is sold to the retailer?

COMM. SULLIVAN: Not uncommon. You have those all over the place in the state right now. Gross receipts is a good example of that.

REP. SAWYER: Another favorite. We could go into that.

COMM. SULLIVAN: I mean, the point being that it doesn't get taxed, never gets taxed twice.

REP. SAWYER: That's true, which would be illegal. So I got another question for you. And -- and I'm a little surprised because it didn't seem to fit with your testimony. I was looking at Raised Bill 1055, and the issue here is in Section 5, and it's the apprentice tax, so line 118. So okay, Commissioner, who comes up with this stuff?

COMM. SULLIVAN: With what stuff? I'm sorry.

REP. SAWYER: This language. Let me just read it to help out those people that are listening here. You know, one of the things that -- in your own words you said that it had not had much effect, this tax break that people weren't getting because they were an apprentice because currently it says it's \$4,800 --

COMM. SULLIVAN: Right.

REP. SAWYER: -- or 50 percent of the actual wages. Now it says, you know, after January 1 of 2014, "\$6,000 or 50 percent of the actual wages." Okay, I get that part. "To an apprentice in the first half of a two-year term or an apprentice in the first three quarters of a four-year term of apprenticeship, whichever is less."

COMM. SULLIVAN: That's actually your language.

REP. SAWYER: I still wonder who came up with this. You know, ladies and gentlemen, if we're gonna make this tax structure, and we're gonna make a tax structure that is friendly to business, that includes our poor little accountants, and we want them to use it. We want them to have the apprentices. For goodness sakes, save 25 percent over the whole term or wherever they are.

rgd/med/mb/gbr FINANCE, REVENUE AND BONDING COMMITTEE 10:30 A.M.

responders dying in the line of duty in Connecticut. However, this bill is meant to more or less A, say thank you, or B, help promote, you know, support them, so to speak. Do you agree with me it's probably not a big number?

COMM. SULLIVAN: I have no idea what the revenue impact would be until the analysis is done.

REP. SHABAN: Fair enough.

COMM. SULLIVAN: My caution to you is this. Having sat where you sit for a very long time, every bit of legislation is the beginning of some slope.

REP. SHABAN: Right.

COMM. SULLIVAN: And it gets slipperier as you go along, so sometimes it's better not to step off.

REP. SHABAN: Okay. So it's a slippery slope concern, correct? Thank you. Thank you, Madame Chair.

SENATOR FONFARO: Senator Boucher.

SENATOR BOUCHER: Thank you, Mr. Chairman. And thank you, Commissioner. This area of testimony today is of great interest to many people, as you can very well imagine. And I'm going to try to reduce the number of questions I have and focus possibly on Bill Number 1052, if I can, even though I do have some questions on some of the others, such as 1055 on the insurance premium tax that was scheduled to go away and now it appears that it is going to continue to stay.

But particularly in 1052, which by the way,

that does represent a tax increase in many people's view. 1052, lines 170 and 171, it appears that there is an added tax imbedded in that, in those lines, on cosmetic-grade mineral oil. Could you explain that if you could?

COMM. SULLIVAN: No. It's an exemption. It's an added exemption actually.

SENATOR BOUCHER: For that?

COMM. SULLIVAN: The way the law reads is everything is taxed unless you say it's not, so you have to say it's not and that's why it appears there.

SENATOR BOUCHER: So that's brought forward as an actual exemption?

COMM. SULLIVAN: The proponents of that -- the proponents of that which are -- is not the department, let me be clear, but the proponents of that have added that it is a conditional exemption.

SENATOR BOUCHER: Very good.

COMM. SULLIVAN: Which has a small revenue impact.

SENATOR BOUCHER: Additionally, there is imbedded in this a reduction in the gross receipts tax. I guess we're one of the only states that assesses a gross receipt tax on top of our regular excise tax on gasoline, as I recall. And that in this there is going to be a reduction from 8.1 percent to have gone in effect July 1, 2013, to keep it at the current 7 percent. Am I reading that correctly or not?

COMM. SULLIVAN: There is nothing in here that is changing in any way current law, with the expectation of two things. One, the

legislative proposal to add the mineral oil exemption, and two, the department's proposal to expand generally by one entire industry class the exemption for the bill.

And what I'm -- what I was trying to say to you at the end of my testimony on this one most people think this is a tax primarily on gasoline and -- and oil. To the extent that it is, that's a major revenue issue for the State of Connecticut.

However, it is a petroleum products gross receipt tax, so there are all kinds of other products that involve petroleum, and that's why you see this proposal with respect to mineral oil. And so it is a -- it is one of those -- here I'll give -- I'll back up to Representative Sawyer's comment as well in general.

This is a tax that has been mucked up for a long time, and needs to be cleaned out. So it's an opportunity at some point I think for us to not so much look at the issue of whether there should be this tax, but whether it should apply to all of the small additions that it makes to a product price because of the number of petroleum products that are swept into it.

SENATOR BOUCHER: So the other taxes that were sunseting, the corporation surtax and the insurance premium tax, those are not going away as originally stated, but will be continued into the future as far as our understanding, yours as the head of our tax department?

COMM. SULLIVAN: Yeah. I believe that Secretary Barnes in his testimony to you or his meeting with you -- I guess it was not in the course of the hearing, and you've taken testimony on the governor's bills -- that is correct.

SENATOR BOUCHER: And finally, my final question has to go with the section in Bill 1052 with regards to overpayment of taxes. I just wanted, if you could for me, to clarify that we -- we do think the interest being paid on this overpayment or are we keeping the same or are we increasing it?

COMM. SULLIVAN: We are not changing the rate. We are changing the period of calculation. And this will -- and we're making it consistent across all taxes.

SENATOR BOUCHER: So the ultimate impact that will be felt will be a lessening of the interest generated.

COMM. SULLIVAN: The impact will be a consistent treatment of refund interest when it is given on these taxes, and a reduction of the incentive to overpay on at least one tax that I can think of, that places us in the position of being a banker, which is not the purposes of taxes.

SENATOR BOUCHER: And finally with respect to those refunds, will we still have our taxpayers receiving their refund via a debit card that was a big surprise for most -- and including the legislators themselves was a big surprise that was put into effect. It produced quite a number of critical phone calls and emails regarding that debit card refund.

COMM. SULLIVAN: I'm sorry if you weren't here the day that we made that presentation. Absolutely the legislature reduced the budgets of the Treasurer's office and reduced the budget of the Department of Revenue Services.

We will be -- we in fact are in the process of

using debit cards right now. It saves us several hundred thousand dollars a year. We had a 2 percent disapproval rate in terms of the market out there. We've done some publicity this year that we should have done and ran out of time to do last year.

That I think has significantly reduced objections. Frankly, if you want more different state government, there is things that we need to doing and this is one of those things.

SENATOR BOUCHER: Thank you very much for that answer. I do appreciate it. There was some concern that the state was making an extra fee based on that process. Good. I'm glad to see that --

COMM. SULLIVAN: There are no fees actually on that process.

SENATOR BOUCHER: And the state doesn't receive a financial benefit in doing that?

COMM. SULLIVAN: No.

SENATOR BOUCHER: Thank you for that clarification. That was very important. Thank you, Mr. Chairman.

COMM. SULLIVAN: Thank you, Senator.

SENATOR FONFARO: Thank you, Madame. Further questions? Thank you, Commissioner.

COMM. SULLIVAN: Thank you very much.

SENATOR FONFARO: And now we'll turn to Comptroller Lembo.

COMP. LEMBO: Good morning, Senator. Representative HB 6566

If you want to create jobs in Connecticut you need to make - - you need to help us make investments in business growth, which in turn will create the need for more jobs and one of these ways is by expanding the state R and D tax credit to the past through entities.

REP. WIDLITZ: Thank you very much for your testimony. Are there questions? Thank you.

PAUL HOFFMAN: May I just comment on one of the prior - - testimony, prior on the apprenticeship tax credits. There was a comment about CCAT and concept and we've used both of those and they're very - - they're very good organizations and ones that should be supported by the state, because for small and medium sized manufacturers they are one of - - one of the only means of getting that kind of support for companies, you know, like ourselves.

REP. WIDLITZ: Thank you very much. Bonnie Stewart, followed by Wade Gibson, Paula Perlman and Kathleen Ross.

BONNIE STEWART: Good afternoon. My name is Bonnie Stewart and I'm vice president of government affairs to the Connecticut business and industry association. I've submitted written testimony on several bills in support of senate bill 1053, which is expanding the apprenticeship training tax credit to (inaudible) in particular (inaudible) corporations.

HB6565SB1055HB6566

In support of section 4 of senate bill 1052, which would eliminate the gross received tax for cosmetic grade mineral oil is concerned, that's something that a lot of or manufacturers use and actually taxing that is unique to

March 11, 2013

rgd/med/mb/gbr FINANCE, REVENUE AND 10:30 A.M.
BONDING COMMITTEE

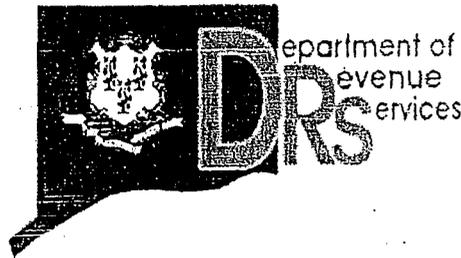
Connecticut for that manufacturing process and makes us uncompetitive in that area.

I'm also supporting senate bill 6565, which eliminates the phase in of the real property assessment decreases. That was a big issue, because that actually passed during the special session last year that hadn't been a hearing on it and that is something that our members are quite concerned with.

I'd like to focus the majority of my testimony today, though, on two bills that we're greatly concerned with and we oppose. The first would be section 6 of the senate bill 1065 and that has to do with the research and development carry forward. And that's a big concern for us, as was pointed out earlier by UTC, the research and experimental or development stage or phase is something that could be quite lengthy, not only for pharmaceutical companies, but aerospace companies and others.

And if you do not match that up with the opportunity have later to earn a prophet, it makes that tax credit worthless. And therefore taking and cutting back significantly the way this measure does the carry forward, creates significant problems for Connecticut.

There are - - a lot of times when a company will have a product that never makes it to market, not only something with the pharmaceuticals, but it could be a new engine or something that you might be working on. It's an opportunity to go back and figure out a different way to go and you may be able to come up with something in the end. But there's a lot of trial and error when it comes to research and development. And that's why that tale or the carry forward is so important.



**FINANCE, REVENUE & BONDING COMMITTEE
MARCH 11, 2013
TESTIMONY OF COMMISSIONER KEVIN B. SULLIVAN
DEPARTMENT OF REVENUE SERVICES**

Excerpt Re: SB 1052

Senator Fonfara, Representative Widlitz and members of the Committee, thank you for this opportunity to testify in support of the Department's legislative proposals. Thank you also for your hard work in what are much improved but still fiscally challenging times for Connecticut and so many other states.

As you know, the Department of Revenue Services is focused on doing more with less. That includes a workforce that is one-third smaller than just a few years ago, working smarter through lean initiatives and maximizing collections without new taxes. The legislative changes we seek all support these efforts.

SB 1052 - AN ACT CONCERNING IMPROVED TAX COLLECTION

Section 1 will improve and increase cigarette tax collection, allowing better use of agency resources. Primary collection at the point of sale by wholesalers rather than only at the point of final sale by retailers is more effective and efficient given the greater business capacity of cigarette wholesalers, far less costly for the Department, and far more effective in reducing non-payment or delayed payment. Retailers will, of course, be at least made whole in their pricing to consumers and would only remit tax on the difference in the price to

consumers. In the event that a wholesaler is not paid by a retailer, existing state law allows a credit for "bad debts."

Section 2, 3, 6 and 7 provides consistency in the timing when refunds are calculated under several taxes. Practically, this reduces any incentive for extraordinary overpayments leading to refunds that include statutory interest at a much better rate than current market-rates. Low interest loans are not the purpose of providing tax refund interest.

Section 5 provides an offsetting credit under the petroleum gross receipts tax for a variety of products exported outside of Connecticut. This change will assist DECD efforts to support business expansion in the state. Section 4 is *not* proposed by DRS and was identified last session as a small revenue loss, so I defer to the Governor's staff for guidance. That said, the whole petroleum gross receipts tax merits your review at some point.

Thank you for your consideration.

CONNECTICUT CONSTRUCTION INDUSTRIES ASSOCIATION, INC.



912 Silas Deane Highway
Wethersfield, CT 06109

Tel: 860.529.6855

Fax: 860.563.0616

ccia-info@ctconstruction.org

www.ctconstruction.org

John Butts

Raised Bill 1052, An Act Concerning Improved Tax Collection

Public Hearing – Committee on Finance, Revenue and Bonding

March 11, 2013

CCIA Position: Supports with an Amendment to Section 4

Connecticut Construction Industries Association, Inc. (CCIA) represents many sectors of the commercial construction industry in the state. Formed over 40 years ago, CCIA is an organization of associations, where those segments of the commercial construction industry work together to advance and promote their shared interests. CCIA is comprised of over 300 members, including contractors, subcontractors, material producers, suppliers and affiliated organizations. One of our divisions, the Connecticut Asphalt & Aggregate Producers Association is comprised of members who produce and sell asphalt pavement for our roads, airports, parking lots and bridges across the state. CCIA members have a long history of providing quality work for the public benefit.

CCIA supports Raised Bill 1052, An Act Concerning Improved Tax Collection because it addresses the competitive disadvantage that Connecticut businesses face against out-of-state competitors who do not pay the state tax on gross earnings on the first sale of petroleum products in the state. An amendment to the Section 4 of the bill providing an additional exemption "(N) for any first sale occurring on or after July 1, 2013, liquid asphalt used in the production of asphalt pavement" would address a competitive disadvantage that our members face from out-of-state competitors. This will keep the jobs and economic activity generated by Connecticut's transportation funding within the state, and stop the benefits of Connecticut transportation investments from going to out-of-state businesses.

Transportation investments were identified as an agent for economic growth by the U.S. Congress during the discussions on the American Recovery & Reinvestments Act. The principal tenant of this proposition is that those investments directly create construction jobs over the short term and drive economic activity on a local level, thus, having long-term benefits. However, in Connecticut, more and more of our transportation investments are going to out-of-state asphalt producers who are selling their products in Connecticut, even on Connecticut Department of Transportation projects, because those out-of-state producers have a competitive advantage - they do not pay the gross receipts tax on liquid asphalt.

Other negative impacts include that Connecticut is losing revenue from payroll taxes, incurring the cost of supporting people on unemployment, and missing out on the lost economic activity that results from the ensuing unemployment. Out-of-state producers in Amenia NY, White Plains NY, New Bedford NY, Palmer MA, West Springfield MA, Chicopee MA, Holyoke MA, Coventry RI, and Westerly RI have a competitive advantage over Connecticut producers because they do not pay the Connecticut gross earnings tax on liquid asphalt that goes into their final product. These out-of-state producers are selling asphalt pavement, and in many cases installing the product with their own employees, on ConnDOT, municipal, and private projects in



AGCCT



Shaping the future of the construction industry

Connecticut, while Connecticut producers and workers cannot compete. This revenue deficit directly affects to equipment dealers, maintenance companies, testing labs and all of the other Connecticut businesses that support Connecticut asphalt producers.

This revenue loss associated with having the gross earnings tax on petroleum products apply to liquid asphalt is an inefficient siphoning of the state's transportation dollars into the general fund. For example, if we estimate that there are an estimated 4 million tons of asphalt pavement installed in Connecticut each year, than:

5% of each ton of asphalt pavement is liquid asphalt.

200,000 tons of liquid asphalt is used in Connecticut each year.

If the cost of liquid asphalt is \$600 per ton and the gross receipts tax increases to eight and one-tenth percent on July 1, 2013, the gross receipts tax will be \$48.60 per ton of liquid asphalt.

200,000 tons multiplied by \$48.60 equals \$9,720,000 of revenue that is generated from the gross earnings tax from liquid asphalt.

A majority of asphalt pavement is paid for out of the Special Transportation Fund and a combination of state and municipal funding.

If 80% is ConnDOT work, this tax is included in bid prices (with a contingency for increases because the GRT is not included in ConnDOT's asphalt cost adjustment specification) and is being billed against the revenue stream that is funding the Special Transportation Fund. Eighty percent of \$9,720,000 equals \$7,776,000 which is going around in a circle from one state fund to another.

Of that \$7,776,000, 50%, or typically more, is being kept in the General Fund on an annual basis, which is effectively an inefficient siphoning off \$3,888,000 from the Special Transportation Fund to the General Fund annually.

For these two reasons, the current system is not economically beneficial to the state. Lost jobs, lost wages, lost payroll taxes, lost property taxes, lost economic activity, and increases in social program costs are stalling our economy. Simultaneously, we are giving the primary benefits of Connecticut's transportation dollars to out-of-state businesses and inefficiently siphoning money out of our transportation program and diverting it into the General Fund each year.

For additional information, please contact Don Shubert, CClA President, at 860-529-6855.

**TESTIMONY PRESENTED TO THE FINANCE, REVENUE, AND BONDING
COMMITTEE**

March 11, 2013

*Benjamin Barnes
Secretary
Office of Policy and Management*

Testimony on House Bill No. 1052

AN ACT CONCERNING IMPROVED TAX COLLECTION

Senator Fonfara, Representative Widlitz and distinguished members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to offer testimony on House Bill No. 1052, AAC IMPROVED TAX COLLECTION.

Most of the provisions of this bill are proposed by the Department of Revenue Services and are intended to improve tax collection and consistency.

However, section 4 of the bill is not supported by DRS or OPM. It would exempt "cosmetic grade mineral oil" from the petroleum gross receipts tax. This provision would cost the state \$300,000 it cannot afford to lose at this time.

I would like to again thank the committee for the opportunity to present this testimony.

S - 667

**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2013**

**VOL. 56
PART 16
4803 - 5160**

Senator Hartley.

SENATOR HARTLEY:

Thank you, Mr. President.

And if there is no objection, I would ask this to be also added to the consent calendar, sir.

THE CHAIR:

Without objection, so ordered.

Senator Looney.

SENATOR LOONEY:

Thank you. Thank you, Mr. President.

Mr. President, the next items to be marked go, would like to mark Calendar page 4, Calendar 475, Senate Bill 1052; to be followed by calendar page 23, Calendar 380, Senate Bill 1054; and then, excuse me Mr. President, calendar page 17, Calendar 678, House Bill 6671; and calendar page 17, Calendar 677, House Bill 6644.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator.

Mr. Clerk?

THE CLERK:

On page 4, Calendar 475, Substitute for Senate Bill Number 1052, AN ACT CONCERNING IMPROVED TAX COLLECTION, favorable report of the Committee on Finance Revenue and Bonding.

THE CHAIR:

Senator Fonfara.

rgd/gbr
SENATE

205
June 4, 2013

The senate will stand at ease.

(Chamber at ease.)

SENATOR FONFARA:

Mr. President.

THE CHAIR:

The Senate will come back to order.

Senator Fonfara.

SENATOR FONFARA:

Good evening, Mr. President.

THE CHAIR:

Good evening.

SENATOR FONFARA:

Mr. President, I move for acceptance of the joint committee's favorable report and passage of the bill.

THE CHAIR:

On acceptance and passage, will you remark?

SENATOR FONFARA:

Yes, Mr. President.

The Clerk is in possession of an amendment, LCO 8748. May he please call and I be permitted to summarize?

THE CHAIR:

Mr. Clerk?

THE CLERK:

LCO Number 8748, Senate "A," offered by Senator

rgd/gbr
SENATE

206
June 4, 2013

Fonfara and Representative Widlitz.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Mr. President.

I move adoption.

THE CHAIR:

On adoption, will you remark?

SENATOR FONFARA:

Yes, Mr. President.

This bill is a compilation of various changes to our tax policies and treatment of various tax credits and other tax laws. And in particular in Sections 1, 2, 5 and 6 it makes all overpayments to interest commencing on the 91st day, as opposed to anything less than that.

It also exempts -- if I can read my own handwriting here -- cosmetic grade mineral oil. It extends the credit against the sales tax for the first sale to the State for purchases of petroleum products where such products is incorporated in a material that is included in U.S. industry group 3255 -- how's that for technical, Mr. President? -- of the NAICS and such product are subsequently exported for sale and use outside of the state.

Establishes the order in which insurers must use multiple credits, similar to the order established for businesses eligible to claim more than one corporate business tax credit. I'll spare the chamber of reading that particular section of the bill.

The amendment also extends to 25 years the maximum time taxpayers may carry forward the business tax credit for donating land for educational use and consolidates its credits with that of that of the

rgd/gbr
SENATE

207
June 4, 2013

credit -- or donating land for open space.

It also gives the signees of film industry tax infrastructure tax credit the same four-year carryforward provision. It changes the -- to certain payments of the job extension tax credit -- certain provisions of the job extension tax credit. It requires a study of the income tax for single filers. It also provides for captive insurance companies -- requires captive insurance companies to pay premium taxes on assumed reinsurance premiums by March 1, rather than at any time during the month, and extends the estimated insurance premium overpayment -- allows domestic insurers who have timely filed their tax returns to apply the tax overpayment to the following years' estimated tax if they so choose that route.

It allows insurers and HMOs to apply a tax credit against their insurance premium tax liability and repeals certain tax credits that are no longer utilized.

That's the sum and substance of the amendment before us, Mr. President. Much of it, technical, but nonetheless important for carrying out the tax laws of our State and our economic development. I encourage the chamber to adopt the amendment.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator.

Will you remark further on the bill?

Senator Witkos.

SENATOR WITKOS:

Thank you, Mr. President.

You know, I want to thank Senator Fonfara for bringing the bill out.

It's sad to see where people game the system where they overpay on purpose so they can actually make

rgd/gbr
SENATE

208
June 4, 2013

money off the taxpayers of the State of Connecticut because of the interest that we would have to pay back to them is more than they could earn in a bank. So I'm glad we're correcting that error.

This section and spoke about the tax credits, Mr. President, I have a question through you to Senator Fonfara. I know it talks about the order that they have to be received, but is there anything in there that talks about them being able to piggyback on each other, through you, Mr. President, so you can do them both at the same time?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Mr. President.

I do not believe so, senator Witkos, in that the order that is required is if they were to be -- if they were carried forward or carried back it would be done by the maximum -- whatever is the greater of the two, and that would go first.

So my reading of the language is that, and in fact, what is happening here is creating an order. And if any were to be -- find that there were more than one, that whichever one was of greater value would come first and the other following that one.

THE CHAIR:

Senator Witkos.

THE CHAIR:

Thank you.

So through you, just to clarify, they wouldn't overlap each other. They would run concurrent with each other. So one would take place and then when that one expired then the next one kick in?

Through you of the.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

That was my understanding of the reading.

Through you, Mr. President.

THE CHAIR:

Senator Witkos.

SENATOR WITKOS:

Thank you, Mr. President.

And one last question I have regarding the donation of open space. I see that the existing language was that you could take a 50 percent tax credit on that. And now that if that land is used for educational purposes another -- I'm not sure if it's another 50 percent tax credit on that. So you get a hundred percent tax credit? Or is it either/or?

Through you Mr. President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

If I could ask for a moment, Mr. President?

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)

SENATOR FONFARA:

rgd/gbr
SENATE

210
June 4, 2013

Mr. President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Mr. President.

Through you, as I read the explanation, that while the two credits are being combined the maximum credit is still 50 percent.

THE CHAIR:

Senator Witkos.

SENATOR WITKOS:

Thank you, Mr. President.

So I guess why would we have -- if somebody is going to donate land why do we need to have a characterization that it's for educational purposes if they're going to get the same tax credit as whether or not they donated the land for something else. I mean, they're only getting 50 percent. What's the reason by adding that additional language, I guess, would be my question?

Through you Mr. President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you Mr. President.

As I understand it right now, the maximum time that would be allowed would be 15 years, but extending that to 25 years making that consistent with the open space credit and it's for consolidation and efficiency purposes of they're bringing them together.

rgd/gbr
SENATE

211
June 4, 2013

005013

Through you.

THE CHAIR:

Senator Witkos.

SENATOR WITKOS:

Thank you, Mr. President.

I also apologize to the ranking member for standing up before he did, protocol of the chamber.

THE CHAIR:

Senator Frantz, do you accept his apology?

SENATOR FRANTZ:

For the record, Mr. President, yes indeed, I do.

And that's totally funny. I appreciate the Senator's enthusiasm for the subject matter here and there is quite a bit in it. So thank you for those questions and I hope you do have some more. And if you'd like, I will yield some more time to you for that.

Senator Fonfara, thank you for all of your work on this bill here which has become sort of an amalgamation of a lot of different concepts and perhaps some other bills as well.

Through you, Mr. President, I have a couple of questions of Senator Fonfara.

THE CHAIR:

Please proceed, sir.

SENATOR FRANTZ:

Thank you.

Senator Fonfara, in the fiscal note, which I'm still trying to get through, I've read most of it -- skimmed it anyway, and I'm trying to digest everything. My question to you, through you, Mr. President, is all of

rgd/gbr
SENATE

212
June 4, 2013

the burden here reflected in the budget?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

My understanding of reading the fiscal note prior to bringing the bill out, through you, Mr. President, is that the various provisions in this bill are all revenue neutral.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Okay. I will -- through you, Mr. President, I will accept that answer and I appreciate that answer. I may come back with a future question about that, but for the moment I will accept that.

Through you, Mr. President, the film tax credit language is fixed in this bill. If Senator Fonfara could just spend a minute describing what that fix is. And the reason for the curiosity here is that in our district we have a large number of people who take advantage of these tax credits in both the studio and also in the digital film labs. And I'm hoping to get some sort of a clarification on the fix there.

Through you, Mr. President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you Mr. President.

May I ask the gentleman if he's referring to Section 10 of the amendment?

SENATOR FRANTZ:

rgd/gbr
SENATE

213
June 4, 2013

I think it is.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you, Mr. President.

I think it is Section 10, but I would have to verify.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Again, the provision would allow for assignees of the insurance company to be able to take advantage of the four year carry forward provision in addition to what is allowed for in the current law.

Through you, Mr. President.

The President in the Chair.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you, Madam President.

For the answer, Senator Fonfara, and the through you, Madam President, the advantage here is not only the four years, but also is there a maintenance of the same percentage of applicability of that particular tax credit?

THE CHAIR:

Senator Fonfara.

THE CHAIR:

Through you, Mr. President -- Madam President, yes.

THE CHAIR:

My voice is so deep you can't tell.

SENATOR FONFARA:

Through you, Madam President, yes.

THE CHAIR:

Senator.

SENATOR FONFARA:

Thank you, and that's -- through you, Madam President, thank you, Senator Fonfara. That's a very, very important credit provision for -- tax credit provision for our particular district and some others in the State of Connecticut as well that are represented here in the circle. So I'm happy to see that as well.

On the next issue, the personal income tax structure study. Is that the same thing, through you, Madam President, as a tax incidence study?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, I would say, yes to the extent that it is focusing on the current impact on single filers and what they're paying in income tax.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you.

And through you, Madam President to Senator Fonfara, just so that everybody in the circle and everybody who's interested who may be watching this, or the tapes later on, is the purpose of that study -- or let me ask the question. What is the purpose of that study?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

Through you, as I understand it, there are -- there was testimony before the committee in which there are those who, as single filers, feel maybe that their requirements in terms of tax liability may be unfair or their percentage of their income is a greater degree going towards the State the personal income tax than maybe other filers who file jointly or head of household.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you. Thank you, Madam President. Thank you for the answer on that. I think it's, you know, studies are great provided they don't cost a whole lot of money and take a whole lot of time. It provides us typically with very valuable data and suggestions as to whether our policies are working or not. And it sounds as though this one is directed towards making a less than perfect system a little more perfect, so I have no quarrel with that at all.

Interestingly, in lines 14 to 19, going back to the beginning of the bill we talk about how no overpayment

rgd/gbr
SENATE

216
June 4, 2013

to DRS will be allowed to have interest paid upon it until the 91st day after the last -- after the day that it has been received by the DRS. And I think that's good public policy.

We're in a very, very unusual interest rate environment these days where as of a couple of days ago we were looking at the lowest interest rates on record. And it could have been presumed that there were many people who were trying to take advantage of a higher interest rate here at the state level for their savings or whatever you want to consider it, whatever you want to -- whatever category you want to put that into to earn an extra return. And I think that this makes very good sense to implement.

And a final question for you, Senator Fonfara, through you, Madam President, is -- and I'm just -- because it's a rather lengthy bill -- I can't find the section, but there is a provision in there which repeals the R and D tax credit for higher education. And I'm just curious as to -- and I remember talking about this a bit in committee, but the logic behind that, I am scratching my head trying to remember what that was. So if you could clarify that after --

And I wish I could find the section here.

But that would be the question is, the logic behind that would be what?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President.

I would assume the gentleman is referring to the percent tax credit for research and development grants, that businesses make the colleges and universities. Am I correct in that?

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Yes, Madam President.

Through you, the answer is yes.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you. Thank you, Madam President.

And through you, my recollection of this -- and it goes back to the earlier part of this session, is that all of these sections have been put before us for repeal because they are no longer being utilized. And I would assume that what is happening is there is another grant that is where businesses are taking advantage of it on behalf of colleges and universities that no longer makes this particular provision a value.

I did ask the question at the time where we were eliminating anything that is currently being used, and I recall the answer being no.

Through you.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you. Thank you. Through you, Madam President.

Thank you, Senator Fonfara. I remember vaguely the exact same thing and that there is another program, or a set of programs out there that more than make up for this. In which case I again have no quarrel with that. That -- those are all the questions I have.

rgd/gbr
SENATE

218
June 4, 2013

Senator Fonfara, thank you for knowing these bills very well and working in a very bipartisan manner to bring these before the circle and ultimately to passage for the benefit of the people of Connecticut. So thank you for that.

And thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam President.

Madam President, I have a question for the good chairman of the Finance the Committee.

THE CHAIR:

Please proceed, ma'am.

SENATOR BOUCHER:

Thank you very much.

And pardon me, first of all, if this was already asked and answered through Senator Witkos as a minute ago. But just to be clear in this bill, in the OLR report it says that the bill reduces the periods during which the State must pay interest or overpayments of gift, estate and gross earning taxes.

Through you, Madam President, does this mean that if this overpayment is made that there will be less interest being paid? Or the appropriate -- in other words, what does the actual bill do with regards to the overpayment of any one of these taxes?

Through you, Madam President.

THE CHAIR:

rgd/gbr
SENATE

219
June 4, 2013

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

Through you, the provision brings into line for the gift tax, the estate tax, the gross earnings tax on railroad companies, cable and satellite, television and video service providers, utility companies and petroleum products distributors, the same provision that is in place under current law.

I should say the gift tax, the gross earnings tax and estate tax overpayments, where right now they pay, I believe, on day one, whereas this would extend it to day 91 which is current law for all other overpayments. And, A, for consistency that is done, and secondly because there have been -- there has been examples of where some people have understood that if they were to overpay, that they'd benefit from a greater interest than they would if they invested that money otherwise.

It's rather perverse, but apparently some people are smart enough and have the resources enough to figure that out and the good folks at the Department of Revenue Services have realized that, maybe given the low interest rates today, otherwise that it would be better to not to have the State be essentially a bank on behalf of individuals or otherwise.

Through you, Madam President.

THE CHAIR:

Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam President.

And I thank the good chairman for his response. It is very clear to me now. It actually answered two questions in one. And that is that in fact the State would delay paying any of the interest on the

overpayment for 91 days, or over three months, which would lead one to ask the second question, is why would they want to do that?

In fact, it would be -- seem unfair to the general public that they would withhold interest for that length of time. And the thought that someone or entity would purposely overpay taxes in thinking that they might get a higher interest rate just doesn't seem logical, given that they would be -- not have the use of their own money for that period of time. So they actually have an opportunity cost of the lack of use of those funds for that period of time in paying it to an entity that would somehow give them a better return.

So it does not seem logical indeed that that is the practice by some that would lead us to this particular proposal. I understand it's intent, but again it seems rather odd.

Thank you very much, Madam President.

THE CHAIR:

Thank you.

Will you remark further? Will you remark further?

And I apologize, Senator Fonfara. I was not in the room at the time. Is it a voice vote? Or is it a roll call vote? I apologize. I'm not -- wasn't here before.

SENATOR FONFARA:

Madam President, I believe that given that there aren't many people here, but still that I think a voice vote would be sufficient.

THE CHAIR:

Thank you. Sorry.

I'll try your minds.

All in favor of Amendment Senate "A", please say, aye.

rgd/gbr
SENATE

221
June 4, 2013

SENATORS:

Aye.

THE CHAIR:

Opposed?

Senate "A" is passed.

Thank you very much.

Will you remark further? Will you remark further?

Senator Fonfara.

THE CHAIR:

Thank you, Madam President.

Unless there's objection, I would ask that this bill be placed on the consent calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

Mr. Clerk?

THE CLERK:

On calendar page 23, Calendar number 380, Senate Bill Number 1054, AN ACT CONCERNING ANNUAL ADJUSTMENTS TO ASSESSMENT RATES, favorable report of the Committee on Finance and Revenue.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

I move for acceptance of the joint committee's favorable report in passage of the bill.

rgd/gbr
SENATE

241
June 4, 2013

Page 3, Calendar 422, Senate Bill 978; on page 4, Calendar 475, Senate Bill 1052; on page 8, Calendar 567, House Bill 6387; Calendar 568, House Bill 6445; and Calendar 580, House Bill 6623.

On page 9, Calendar 583, House Bill 5149; and Calendar 590, House Bill 6680; page 10, Calendar 607, House Bill 6688; and calendar 608, House Bill 6384.

Page 11, Calendar 612, House Bill 6448; and Calendar 621, House Bill 6488. On page 12, Calendar 634, House Bill 6403; and Calendar 636, House Bill 6394; page 13, Calendar 645, House Bill 6454; and page 14, Calendar 652, House Bill 6702.

On page 16, Calendar 674, House Bill 6441; page 17, Calendar 677, House Bill 6644; on page 18, Calendar 685, House Bill 6009; and on page 23, Calendar 380 Senate Bill 1054; page 24, Calendar 452, Senate Bill 1142; and Calendar 566, House Bill 6375.

Page 25, Calendar 646, House Bill 5844; and on page 26, Calendar 304, Senate Bill 1019.

THE CHAIR:

At this time, Mr. Clerk, will you call for a roll call vote on a first consent calendar?

The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Senators, please return to the chamber. Immediate roll call on the first consent calendar has been ordered in the Senate.

THE CHAIR:

If all members have voted? All members have voted. The machine will be closed.

Mr. Clerk, will you please call the tally?

THE CLERK:

rgd/gbr
SENATE

242
June 4, 2013

The first consent calendar.

Total Number Voting	35
Necessary for Adoption	18
Those voting Yea	35
Those voting Nay	0
Those absent and not voting	1

THE CHAIR:

The consent calendar passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, would move for immediate transmittal to the House of Representatives of all items acted on thus far today requiring additional action in that chamber.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Also, Madam President, on an item previously placed on the foot of the Calendar, would now seek to remove that item and just mark it PR, and that is an item calendar page 16, Calendar 672, House Bill 5480, AN ACT PROHIBITING TAMPERING WITH HYDRANTS. Would just move to remove that item from the foot and to mark it PR.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

H - 1179

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VOL.56
PART 30
10111 - 10450**

hac/gbr
HOUSE OF REPRESENTATIVES

670
June 4, 2013

(Chamber at ease.)

SPEAKER SHARKEY:

Will the House please come back to order?

Will the Clerk please call Calendar Number 686?

THE CLERK:

Calendar Number 686, favorable report of the
Joint Standing Committee on Finance, Revenue and
Bonding, Substitute Senate Bill 1052, AN ACT
CONCERNING IMPROVED TAX COLLECTION.

SPEAKER SHARKEY:

Representative Lemar.

REP. LEMAR (96TH):

Thank you, Mr. Speaker.

I move for acceptance of the Joint Committee's
favorable report and passage of the bill.

SPEAKER SHARKEY:

The question before the Chamber is acceptance of
the Joint Committee's favorable report and passage of
the bill.

Will you remark, sir?

REP. LEMAR (96TH):

Yes. I would ask -- Mr. Speaker, the Clerk has
Amendment, LCO 8748. I would ask the Clerk to please

call the amendment and I be granted leave of the Chamber to summarize.

SPEAKER SHARKEY:

Will the Clerk please call LCO 8748, which has been previously designated Senate Amendment "A"?

THE CLERK:

Senate Amendment "A", LCO 8748 introduced by Senator Fonfara and Representative Widlitz.

SPEAKER SHARKEY:

The gentleman seeks leave of the Chamber to summarize. Is there objection? Is there objection?

Seeing none, you may proceed with summarization, sir.

REP. LEMAR (96TH):

Thank you, Mr. Speaker.

Mr. Speaker, the amendment that is before us becomes the bill. And the bill makes various changes -- technical in nature to laws concerning the state tax administration. Among other things, it reduces the period during which the state must pay interest on overpayment of gifts, estate and gross earnings taxes, it extends certain tax credits against petroleum products gross earnings tax.

It requires captive insurance companies to pay premium taxes on assumed reinsurance premiums, and permits insurance companies and HMOs to transfer to their affiliates an insurance premium tax credit.

And the also makes various changes to some business tax programs, all of which are technical in nature and finally, the bill requires the Department of Revenue Services to study the state's income tax structure and how it's rates and credits affect different tax payers, namely singles.

SPEAKER SHARKEY:

Do you move --

REP. LEMAR (96TH):

I move adoption. Sorry.

SPEAKER SHARKEY:

Thank you, sir.

The question before the Chamber is adoption of Senate Amendment "A".

Will you remark?

Representative Williams.

REP. WILLIAMS (68TH):

Thank you, Mr. Speaker, and good morning.

SPEAKER SHARKEY:

Good morning, sir.

REP. WILLIAMS (68TH):

Through you, just one or two questions perhaps to the proponent of the amendment please.

SPEAKER SHARKEY:

Please proceed, sir.

REP. WILLIAMS (68TH):

Thank you, Madam Speaker.

Could the proponent of the amendment, Representative Lemar, explain Section 11, which deals with the job expansion tax credit in allowing the DCD Commissioner to reduce some time that businesses may have to claim the credit?

Through you.

SPEAKER SHARKEY:

Representative Lemar.

REP. LEMAR (96TH):

Thank you, Mr. Speaker.

Through you.

Under the current law businesses qualify for a three-year credit based on employee criteria. The credit equals \$500 per month for each new employee who lives in Connecticut, or \$900 per month if the employee is receiving unemployment, or receiving

hac/gbr
HOUSE OF REPRESENTATIVES

674
June 4, 2013

vocational rehabilitation services from DRS and is a current Armed Service member.

This allows the Department of Community and Economic Development to reduce the time during which businesses may claim this credit for hiring these employees from three years to one year.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Williams.

REP. WILLIAMS (68TH):

Thank you, Mr. Speaker.

I thank the gentleman for his answer. I think as he said in his summary of the amendment this is a bill that largely makes technical and -- and some conforming changes to our DRS statutes and I would urge passage of the amendment.

Thank you.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark further on Senate Amendment "A"?

If not, let me try your minds. All those in favor of Senate Amendment "A", please signify by saying, aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed, nay.

The ayes have it. The amendment is adopted.

Do you care to remark further on the bill as amended? Do you care to remark further on the bill as amended?

If not, staff and guests to the Well of the House? Members take your seats; the machine will be opened.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll. Will members please return to the Chamber immediately?

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted?

Members please check the board to make sure your vote is properly cast?

If all the members have voted, the machine will be locked and the Clerk will take a tally.

Will the Clerk please announce the tally?

THE CLERK:

Yes, Mr. Speaker, in concurrence with the Senate,
Senate Bill 1052, as amended by 7A -- Senate "A"

Total Number Voting	134
Necessary for Passage	68
Those voting Yea	134
Those voting Nay	0
Absent and not voting	16

SPEAKER SHARKEY:

The bill as amended passes in concurrence with
the Senate.

The Chamber will stand at ease.

(Chamber at ease.)

SPEAKER SHARKEY:

House please come back to order.

Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Mr. Speaker, I rise for immediate suspension of
our House Rules for immediate consideration of Senate
Bill 1149.

SPEAKER SHARKEY: