	January Consensus FY 19 $	Governor Policies $	Governor FY 19 Revenue $	Consensus Update (April) $	April Consensus FY 19 $	Legislative Policies $	Legislative FY 19 Revenue $
Taxes							
Motor Fuels	507,600	-	**507,600**	(1,500)	506,100	-	**506,100**
Oil Companies	308,000	(7,800)	**300,200**	-	308,000	(7,000)	**301,000**
Sales Tax - STF	349,000	-	**349,000**	(13,600)	335,400	-	**335,400**
Sales Tax DMV	90,100	-	**90,100**	(1,300)	88,800	-	**88,800**
Refunds of Taxes	(14,100)	-	**(14,100)**	-	(14,100)	-	**(14,100)**
Total Taxes	**1,240,600**	**(7,800)**	**1,232,800**	**(16,400)**	**1,224,200**	**(7,000)**	**1,217,200**
Other Sources							
Motor Vehicle Receipts	256,000	-	**256,000**	(2,200)	253,800	-	**253,800**
Licenses, Permits and Fees	144,200	-	**144,200**	-	144,200	1,000	**145,200**
Interest Income	10,400	-	**10,400**	-	10,400	-	**10,400**
Federal Grants	12,100	-	**12,100**	-	12,100	-	**12,100**
Transfers From/To Other Funds	(6,500)	-	**(6,500)**	-	(6,500)	1,000	**(5,500)**
Refunds of Payments	(4,100)	-	**(4,100)**	(200)	(4,300)	-	**(4,300)**
Total Other Sources	**412,100**	**-**	**412,100**	**(2,400)**	**409,700**	**2,000**	**411,700**
Total Special Transportation Fund	**1,652,700**	**(7,800)**	**1,644,900**	**(18,800)**	**1,633,900**	**(5,000)**	**1,628,900**

Policies Details - Special Transportation Fund
Oil Companies

Policy Revisions

Set Aside Petroleum Gross Earnings Taxes on Aviation Fuel

Governor FY 18	Governor FY 19	Legislative FY 18	Legislative FY 19	Difference FY 18	Difference FY 19
(7,000,000)	(7,800,000)	(7,000,000)	(7,800,000)	-	-

Background: The Petroleum Products Gross Earnings (PGET or Oil Companies) Tax is levied at a statutory rate of 8.1% on the gross earnings from the first sale of companies distributing petroleum products in Connecticut. Petroleum products include but are not limited to gasoline, aviation fuel, kerosene, diesel fuel, number 2 heating oil, greases, lubricants, mineral oils and motor oil. Several exemptions exist. In addition, Since April 3, 2012, the Petroleum Products Gross Earnings Tax is capped at $3.00 per gallon on the first sale of gasoline and gasohol. Petroleum products distributors are required to calculate the tax at a $3.00 per gallon even if the price exceeds said amount and any consideration received by the distributor in excess of $3.00 is exempt from tax.

Under current law 100% of collections under PGET are deposited into the Special Transportation Fund, which supports the state departments of transportation and motor vehicles. Through the State Department of Transportation and Office of the State Comptroller (Fringe Accounts), the state provides annual subsidies of approximately $4.2 million to the Connecticut Aviation Authority, which is a system of airports including Bradley and five general aviation airports located as follows: 1) Danielson, 2) Brainard, 43) Oxford, 4) Groton and 5) Windham. The state subsidy covers annual operating losses by the system of approximately $3.7 million. Approximately 14 state employees staff the general aviation airports with another 9 full-time equivalent positions at Bradley providing administrative and other support to the general aviation airports.

A clarification ruling in November 2014 by the Federal Aviation Administration requires the state to divert any tax revenues from aviation fuel above a certain level to support airport-related purposes. Specifically, any taxes above the state tax rate of 2% in effect upon passage of the federal Airport and Airway Improvement Act of 1982 must be diverted. As a result of this clarification, the state must remit 6.1% of future tax collections resulting from purchases of aviation fuel to airport-related purposes.

Governor: Establish the "Connecticut Airport and Aviation Account" as a separate, non-lapsing account within the Grants and Restricted Accounts Fund. To adhere to a Federal Aviation Association ruling which requires that any taxes on aviation fuel must be used for aviation purposes, a transfer of aviation related Oil Companies tax, above a grandfathered rate of 2%, will be deposited into the newly created Connecticut Airport and Aviation Account. Moneys within the fund can only be spent on airports and aviation related purposes. Section 23 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this change.

Legislative: Same as Governor

Licenses, Permits and Fees

Policy Revisions

Modify Fees for Highway Right-Of-Way Encroachment

Governor FY 18	Governor FY 19	Legislative FY 18	Legislative FY 19	Difference FY 18	Difference FY 19
-	-	1,000,000	1,000,000	1,000,000	1,000,000

Background: Current law requires the commissioner to adopt regulations establishing "reasonable fees" for all state highway right-of-way encroachment permit applications. The commissioner may exempt municipalities from these fees. Existing law does not define what constitutes a major traffic generator, but state regulations specify that a development qualifies as such if it has (1) 200 or more parking spaces or (2) a gross floor area of at least 100,000 square feet (Conn. Agencies Regulations 14-312-1)

Legislative: Require the DOT commissioner, by January 1, 2018, to set fees for certain applications for highway right-of way encroachment permits to mirror the fees the Massachusetts DOT charges for similar permits; and eliminate the commissioner's authority to adopt regulations setting fees for other highway right-of-way encroachment permit applications. As under existing law, the commissioner may adopt regulations setting reasonable fees for certificates of operation for open air theaters, shopping centers, and other developments generating a large volume of traffic, provided the fees do not exceed 125% of the estimated administrative costs related to the application.

Section 673 of PA 17-2 JSS enacts this policy.

Transfers From/To Other Funds

Policy Revisions

Update Transfer to the Emissions Enterprise Fund

Governor FY 18	Governor FY 19	Legislative FY 18	Legislative FY 19	Difference FY 18	Difference FY 19
-	-	1,000,000	1,000,000	1,000,000	1,000,000

Background: This separate fund is used to operate the statewide system to enforce emissions standards. Revenues to support the program are derived primarily from a budgeted transfer from the Special Transportation Fund and inspection fees pursuant to CGS Sec. 14-164m. In FY 17, for example, Fund revenues were as follows: 1) $1.7 million from inspection late fees, 2) $6.5 million budgeted transfer in, and 3) $24,000 fees and penalties per CGS Sec. 14-164c, and 4) $51,000 investment income. The FY 18 beginning balance is approximately $5 million. FY 17 total fund expenditures were $6.8 million.

Section 53 of PA 17-51 (the Deficit Mitigation Act) transferred $3 million from the Emissions Enterprise Fund to the General Fund in FY 17.

Legislative: Reduce the annual STF transfer to the emissions fund from $6.5 million to $5.5 million. Section 671 of PA 17-2 JSS enacts this permanent reduction. In addition, transfer $1 million to the General Fund in FY 18. (This change reflected in a separate entry.)