



H.B. 90

124th General Assembly
(As Introduced)

Reps. Flannery, Distel, D. Miller, Jerse, Krupinski, Harnett, Patton, Redfern, Allen, Boccieri, Otterman, Barrett, S. Smith, DePiero, Sulzer, Latell, Key

BILL SUMMARY

- Suspends for a specified time a portion of a natural gas or combined natural gas and electric company's excise tax liability.
- Requires each county's Prevention, Retention, and Contingency Program, for the 12 months after the bill's effective date, to include a component that pays, for up to three months, the home heating costs incurred by assistance groups containing at least one pregnant woman or minor child and having gross incomes not exceeding 300% of federal poverty guidelines.
- Declares an emergency.

CONTENT AND OPERATION

Suspension of excise taxes

(Section 1)

Amount of tax suspended

Natural gas companies and combined natural gas and electric companies generally are subject to an excise tax levied on their intrastate gross revenues. Such a company pays the tax either quarterly or annually. The bill suspends for a period of time the liability of a company for payment of taxes due.

For a company that pays the tax quarterly, the bill suspends its liability for and its payment of the excise tax for the two complete quarters following the bill's effective date. For a company that pays the tax annually, the bill suspends, for a period of six complete months after the bill's effective date, the company's liability

for and payment of gross receipts taxes due within 45 days after December 31, 2001.

In the case of a company that pays the tax quarterly, the amount suspended must equal the amount of the excise tax collections received from the company for the quarter ending December 31, 2000, less an amount equal to the three-month average excise tax collections received from the company for the period beginning May 1, 2000, and ending September 30, 2000 (as calculated by the Tax Commissioner by determining the total excise taxes collected for the five-month period, dividing that total by five, and multiplying the result by three).

In the case of a company that pays the tax annually, the amount suspended must equal the amount of excise tax collections that were received from the company and that the Tax Commissioner determines were collected by the company for the period October 1 through December 31, 2000, less the collections so collected and received for the period of July 1 through September 30, 2000.

The bill requires the Tax Commissioner immediately to certify to the Treasurer of State the amount of suspended taxes for each company and to notify each company of the amount so determined.

Tax refund rider in gas rates

The bill provides that, within 30 days after the bill's effective date, each company that receives a tax reduction under the bill's tax suspension provisions must file with the Public Utilities Commission a temporary tax refund rider to be included in its tariffs. The rider must provide for a refund method by which the company refunds to its residential customers the amount of the suspended taxes.

County heating assistance

(Section 2)

Under existing law, the Department of Job and Family Services administers the Prevention, Retention, and Contingency Program, a program that, through county departments of job and family services, provides short-term assistance for the immediate needs of eligible, low-income "assistance groups" that include at least one pregnant women or one minor child (defined as an individual younger than 18, or an individual younger than 19 who is a full-time student in a secondary school or in the equivalent level of vocational or technical training). The program's stated purpose is to help people overcome immediate barriers to achieving and maintaining self-sufficiency and personal responsibility. The program provides the assistance using combined federal, state, and county moneys. (Chapter 5108.)

The bill requires each county department to include in its Prevention, Retention, and Contingency Program, for the 12 months following the bill's effective date, a component that pays, for up to three months, the home heating costs incurred by assistance groups with gross incomes not exceeding 300% of federal poverty guidelines based on family size. (Currently, for instance, the 300% limit would be \$43,890 for a family of three.) The bill requires that the program component pay such costs regardless of the amount the county department may have allocated for assistance groups under the program.

Emergency clause

(Section 3)

The bill contains an emergency clause under which the bill will take immediate effect upon enactment. The stated reason for the emergency is to provide, at the earliest possible time, temporary relief from high natural gas prices to residential customers.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-13-01	p. 155

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