

Finance, Revenue and Bonding Committee JOINT FAVORABLE REPORT

Bill No.: HB-6931
AN ACT CONCERNING THE REPORTING FREQUENCY FOR THE HIGHWAY
Title: USE TAX.
Vote Date: 4/19/2023
Vote Action: Joint Favorable
PH Date: 4/14/2023
File No.: 717

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SPONSORS OF BILL:

Finance, Revenue, and Bonding Committee on behalf of the Connecticut Motor Transport Association.

REASONS FOR BILL:

This bill would reduce the frequency for highway use tax filing from monthly to quarterly beginning July 1, 2023. The shift in reporting frequency may make this new law easier with which to comply.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

[John Blair, President, Motor Transportation Association of Connecticut](#) supported this bill, stating it would begin to help ease the costly and burdensome compliance measures associated with the new Highway Use Tax law, as the new tax has had an immediate and direct impact on Connecticut motor carriers and consumers.

[Vincent Candelora, House Republican Leader, Connecticut General Assembly](#) supported this bill, stating as a result of the new Highway Use Tax, trucks with multiple stops may be assessed multiple rates as the weight fluctuates from stop to stop. This bill is a step in the right direction by reducing the administrative burden put on trucking companies, as the trucking industry is the backbone of the economy.

[Joe Cecarelli, Legislative Chair, Lumber Dealers Association of Connecticut](#) supported this bill, stating monthly submission is onerous and unnecessary. He further suggested a full repeal of the law because it leads to differential treatment of in- and out-of-state truck drivers.

[Chris Herb, President, Connecticut Energy Marketers Association](#) supported this bill, noting that their members report that the administrative burden of implementing the new tax has in many cases required them to hire new staff to ensure that it was implemented properly, and the tax was remitted on time. These added costs are a burden to small businesses and have a big impact on their bottom line. Mr. Herb recommended changes, which include allowing leasing companies to register and file the tax for their fleet, the use of a legal verification method (that being a VIN or Plat number), and annual filing of taxes.

[Joan Nichols, Executive Director, Connecticut Farm Bureau Association](#) supported this bill, stating the Highway Use Tax is already a costly and burdensome tax to Connecticut farm businesses. Most are owner-operators, which means the farmer who works the fields and operates the truck is often the same person who completes the paperwork and required filings. There is simply not enough time to complete all the required paperwork, let alone monthly Highway Use Tax filings.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Riley St. Pierre

Date: April 28, 2023