AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

I

114TH CONGRESS
1ST SESSION

H. R. 1665

To amend the Internal Revenue Code of 1986 to equalize the excise tax on liquefied natural gas and liquefied petroleum gas.

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2015

Mr. YOUNG of Indiana (for himself, Mr. LARSON of Connecticut, Mr. THORNBERRY, and Mr. KIND) introduced the following bill; which was referred to the Committee on Ways and Means

---

A BILL

To amend the Internal Revenue Code of 1986 to equalize the excise tax on liquefied natural gas and liquefied petroleum gas.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Alternative Fuel Tax Parity Act''.

SEC. 2. EQUALIZATION OF EXCISE TAXES AND CREDITS ON LIQUEFIED NATURAL GAS AND LIQUEFIED PETROLEUM GAS.

(a) LIQUEFIED PETROLEUM GAS.—

(1) IN GENERAL.—Subparagraph (B) of section 4041(a)(2) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

''(ii) in the case of liquefied petroleum gas, 18.3 cents per energy equivalent of a gallon of gasoline, and''.

(2) ENERGY EQUIVALENT OF A GALLON OF GASOLINE.—Paragraph (2) of section 4041(a) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(C) ENERGY EQUIVALENT OF A GALLON OF GASOLINE.—For purposes of this paragraph, the term 'energy equivalent of a gallon of gasoline' means, with respect to a liquefied petroleum gas fuel, the amount of such fuel having a Btu content of 115,400 (lower heating value). For purposes of the preceding sentence, a Btu content of 115,400 (lower heating value) is equal to 5.75 pounds of liquefied petroleum gas.''.

(b) LIQUEFIED NATURAL GAS.—

(1) IN GENERAL.—Subparagraph (B) of section 4041(a)(2) of the Internal Revenue Code of 1986, as

amended by subsection (a)(1), is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'' and by inserting after clause (iii) the following new clause:

''(iv) in the case of liquefied natural gas, 24.3 cents per energy equivalent of a gallon of diesel.''.

(2) ENERGY EQUIVALENT OF A GALLON OF DIESEL.—Paragraph (2) of section 4041(a) of the Internal Revenue Code of 1986, as amended by subsection (a)(2), is amended by adding at the end the following:

''(D) ENERGY EQUIVALENT OF A GALLON OF DIESEL.—For purposes of this paragraph, the term 'energy equivalent of a gallon of diesel' means, with respect to a liquefied natural gas fuel, the amount of such fuel having a Btu content of 128,700 (lower heating value). For purposes of the preceding sentence, a Btu content of 128,700 (lower heating value) is equal to 6.06 pounds of liquefied natural gas.''.

(3) ALTERNATIVE FUEL CREDIT FOR LIQUEFIED NATURAL GAS.—Section 6426(d) of the Internal Revenue Code of 1986 is amended by redesig-

nating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) SPECIAL RULE FOR LIQUEFIED NATURAL GAS.—In the case of liquefied natural gas, the alternative fuel credit is the product of 50 cents and the per energy equivalent of a gallon of diesel (as defined in section 4041(a)(2)(D)) for the number of gallons of liquefied natural gas sold by the taxpayer for use as a fuel in a motor vehicle or motorboat, sold by the taxpayer for use as a fuel in aviation, or so used by the taxpayer.".

(4) CONFORMING AMENDMENTS.—Section 4041(a)(2)(B)(iii) of the Internal Revenue Code of 1986, as redesignated by subsection (a)(1), is amended—

(A) by striking "liquefied natural gas,", and

(B) by striking "peat), and" and inserting "peat) and".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any sale or use of fuel after December 31, 2015.

○