

SENATE BILL 448:

This Bill Analysis reflects the contents of the bill as it was presented in committee.

Equalize Tax on Propane Used as a Motor Fuel

2015-2016 General Assembly

Committee: Senate Finance
Introduced by: Sen. B. Jackson
Analysis of: PCS to First Edition

S448-CSTD-34

Date: June 9, 2015

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Committee Counsel

SUMMARY: Senate Bill 448 amends the motor fuels tax rate applicable to liquefied propane gas, when used as a motor fuel, by specifying that the gas gallon equivalent of liquefied propane gas is 5.75 pounds of liquefied propane gas.

The PCS changes the effective date from July 1, 2015, to January 1, 2016.

[As introduced, this bill was identical to H494, as introduced by Reps. Collins, Hager, Lewis, R. Moore, which is currently in House Finance.]

CURRENT LAW: Current law establishes motor fuel tax rates for alternative fuels used to operate a motor vehicles. Under current law:

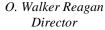
- The motor fuels tax on liquefied natural gas, when used as a motor fuel, is imposed on each diesel gallon equivalent of liquefied natural gas. The diesel gallon equivalent of liquefied natural gas is established by State law to be 6.06 pounds of liquefied natural gas.¹
- The motor fuels tax on compressed natural gas, when used as a motor fuel, is imposed on each gas gallon equivalent of compressed natural gas. The gas gallon equivalent of compressed natural gas is established by State law to be 5.66 pounds of compressed natural gas.²
- The motor fuels tax on liquefied propane gas, when used as a motor fuel, is currently imposed on a gallon, by volume, of liquefied propane gas. A gallon of liquefied propane, at 70°F, weighs 4.2 lbs. A gallon of liquefied propane gas has 73% of the energy of a gallon of gasoline.³

BILL ANALYSIS: Senate Bill 448 amends the motor fuels tax rate applicable to liquefied propane gas, when used as a motor fuel, by specifying that the gas gallon equivalent of liquefied propane gas is 5.75 pounds of liquefied propane gas.

EFFECTIVE DATE: This act becomes effective January 1, 2016.

Giles Perry, counsel to Senate Transportation, substantially contributed to this summary.

³ Data is from the Alternative Fuels Data Center, US Department of Energy. www.afdc.energy.gov





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¹ G.S. 105-449.130(1f), G.S. 105-449.136(a). Rate enacted by S.L. 2014-4

² G.S. 105-449.130(1g), G.S. 105-449.136(a). Rate enacted by S.L. 2014-4