

Senate File 2101 - Introduced

SENATE FILE 2101

BY BOWMAN

(COMPANION TO LSB 5791HH BY
BYRNES)

A BILL FOR

1 An Act concerning the excise tax on compressed natural gas and
2 liquefied natural gas used as special fuel.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 452A.3, subsection 4, Code 2014, is
2 amended to read as follows:

3 4. For compressed natural gas used as a special fuel, the
4 rate of tax that is equivalent to the motor fuel tax ~~shall~~
5 ~~be sixteen~~ is twenty-one cents per ~~hundred~~ gasoline gallon
6 equivalent. A gasoline gallon equivalent of compressed natural
7 gas is five and sixty-six hundredths pounds or one hundred
8 twenty-six and sixty-seven hundredths cubic feet adjusted to
9 measured at a base temperature of sixty degrees Fahrenheit and
10 a pressure of fourteen and seventy-three hundredths pounds per
11 square inch absolute.

12 Sec. 2. Section 452A.3, Code 2014, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 4A. For liquefied natural gas used as a
15 special fuel, the rate of tax that is equivalent to the motor
16 fuel tax is twenty-two and one-half cents per diesel gallon
17 equivalent. A diesel gallon equivalent of liquefied natural
18 gas is six and six hundredths pounds of liquefied natural gas.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with
21 the explanation's substance by the members of the general assembly.

22 This bill revises the method of calculating the excise tax on
23 compressed natural gas used as a special fuel and establishes
24 an excise tax on liquefied petroleum gas used as a special
25 fuel. Both rates are calculated to be equivalent to the motor
26 fuel tax.

27 For compressed natural gas used as a special fuel, the rate
28 of tax that is equivalent to the motor fuel tax is 21 cents
29 per gasoline gallon equivalent. A gasoline gallon equivalent
30 of compressed natural gas is 5.66 pounds or 126.67 cubic feet
31 measured at a base temperature of 60 degrees Fahrenheit and
32 a pressure of 14.73 pounds per square inch absolute. (Under
33 current law, the rate of the tax is 16 cents per 100 cubic feet
34 adjusted to a base temperature of 60 degrees Fahrenheit and a
35 pressure of 14.73 pounds per square inch absolute.)

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1 For liquefied natural gas used as a special fuel, the rate
2 of tax that is equivalent to the motor fuel tax is 22.5 cents
3 per diesel gallon equivalent. A diesel gallon equivalent of
4 liquefied natural gas is 6.06 pounds of liquefied natural gas.