

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. THORN-
BERRY, 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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Alternative Fuel Tax
5 Parity Act”.

6 **SEC. 2. EQUALIZATION OF EXCISE TAXES AND CREDITS ON**

7 **LIQUEFIED NATURAL GAS AND LIQUEFIED**

8 **PETROLEUM GAS.**

9 (a) LIQUEFIED PETROLEUM GAS.—

1 (1) IN GENERAL.—Subparagraph (B) of section
2 4041(a)(2) of the Internal Revenue Code of 1986 is
3 amended by striking “and” at the end of clause (i),
4 by redesignating clause (ii) as clause (iii), and by in-
5 serting after clause (i) the following new clause:

6 “(ii) in the case of liquefied petroleum
7 gas, 18.3 cents per energy equivalent of a
8 gallon of gasoline, and”.

9 (2) ENERGY EQUIVALENT OF A GALLON OF
10 GASOLINE.—Paragraph (2) of section 4041(a) of the
11 Internal Revenue Code of 1986 is amended by add-
12 ing at the end the following:

13 “(C) ENERGY EQUIVALENT OF A GALLON
14 OF GASOLINE.—For purposes of this para-
15 graph, the term ‘energy equivalent of a gallon
16 of gasoline’ means, with respect to a liquefied
17 petroleum gas fuel, the amount of such fuel
18 having a Btu content of 115,400 (lower heating
19 value). For purposes of the preceding sentence,
20 a Btu content of 115,400 (lower heating value)
21 is equal to 5.75 pounds of liquefied petroleum
22 gas.”.

23 (b) LIQUEFIED NATURAL GAS.—

24 (1) IN GENERAL.—Subparagraph (B) of section
25 4041(a)(2) of the Internal Revenue Code of 1986, as

1 amended by subsection (a)(1), is amended by strik-
2 ing “and” at the end of clause (ii), by striking the
3 period at the end of clause (iii) and inserting “,
4 and” and by inserting after clause (iii) the following
5 new clause:

6 “(iv) in the case of liquefied natural
7 gas, 24.3 cents per energy equivalent of a
8 gallon of diesel.”.

9 (2) ENERGY EQUIVALENT OF A GALLON OF
10 DIESEL.—Paragraph (2) of section 4041(a) of the
11 Internal Revenue Code of 1986, as amended by sub-
12 section (a)(2), is amended by adding at the end the
13 following:

14 “(D) ENERGY EQUIVALENT OF A GALLON
15 OF DIESEL.—For purposes of this paragraph,
16 the term ‘energy equivalent of a gallon of diesel’
17 means, with respect to a liquefied natural gas
18 fuel, the amount of such fuel having a Btu con-
19 tent of 128,700 (lower heating value). For pur-
20 poses of the preceding sentence, a Btu content
21 of 128,700 (lower heating value) is equal to
22 6.06 pounds of liquefied natural gas.”.

23 (3) ALTERNATIVE FUEL CREDIT FOR LIQUE-
24 FIED NATURAL GAS.—Section 6426(d) of the Inter-
25 nal Revenue Code of 1986 is amended by redesignig-

1 nating paragraph (5) as paragraph (6) and by in-
2 sserting after paragraph (4) the following new para-
3 graph:

4 “(5) SPECIAL RULE FOR LIQUEFIED NATURAL
5 GAS.—In the case of liquefied natural gas, the alter-
6 native fuel credit is the product of 50 cents and the
7 per energy equivalent of a gallon of diesel (as de-
8 fined in section 4041(a)(2)(D)) for the number of
9 gallons of liquefied natural gas sold by the taxpayer
10 for use as a fuel in a motor vehicle or motorboat,
11 sold by the taxpayer for use as a fuel in aviation, or
12 so used by the taxpayer.”.

13 (4) CONFORMING AMENDMENTS.—Section
14 4041(a)(2)(B)(iii) of the Internal Revenue Code of
15 1986, as redesignated by subsection (a)(1), is
16 amended—

17 (A) by striking “liquefied natural gas,”
18 and

19 (B) by striking “peat), and” and inserting
20 “peat) and”.

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

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