



CAPITOL CLEAN CITIES OF CONNECTICUT, INC.

PO Box 1253, South Windsor, CT 06074

March 13, 2014

Finance, Revenue and Bonding Committee Members
Legislative Office Building
Hartford, CT 06106-1591

Re: House Bill No. 5466, Section 3

My name is Craig Peters and I am the Coordinator for Capitol Clean Cities of Connecticut. I present testimony today in support of Proposed Bill No. 5466. Section 3 of the proposed bill is critical to the development of the natural gas vehicle market in the State of Connecticut.

Currently, the Department of Revenue Services Regs. 12-455a-1 computation of tax on motor vehicle fuels in gaseous form states that one gallon of gasoline equals 82.62 cubic feet of natural gas. The Federal Standard, recognized nationally as well as Internal Revenue Service Form 720, defines one Gasoline Gallon Equivalent (GGE) of CNG as the equivalent of 126.67 Standard Cubic Feet. The difference results in a significant tax increase on each Gasoline Gallon Equivalent of CNG sold in Connecticut.

In an effort to support and promote the Administration and the Department of Energy and Environment Protection's mission to encourage the use of cleaner alternative fuels for transportation in the Comprehensive Energy Strategy and the Draft Clean Vehicle Action Plan, our Coalition is strongly in favor of this Bill.

By passing this bill, it will encourage further growth in the alternative fuel field, correct the error to reflect the Federal Government's formula and make a positive impact on the environment by reducing toxic emissions and greenhouse gases.

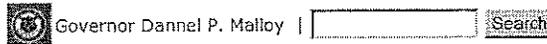
Our stakeholders, such as Clean Energy, USA Hauling, All-American Waste, Yellow Cab, and AT&T to name a few have invested millions of dollars on CNG stations and hundreds of vehicles and should not be penalized for doing the right thing by reducing our independence on imported oil and lowering emissions.

This is not a request for exemption from any tax, it merely provides for the proper calculation of the tax to be imposed and requests that it mirror the federal government's formula.

Attached you will find supporting documentation (IRS Form 720, Dept of Energy Fuel Properties Comparison).

Sincerely,

Craig Peters,
Coordinator, Capitol Clean Cities of Connecticut, Inc.



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Conn. Agencies Regs. § 12-455a-1. Computation of tax on motor vehicle fuels in gaseous form.

(a) Definitions. As used in this section of the Regulations of Connecticut State Agencies:

"British Thermal Unit" (Btu) means an amount of heat required to raise the temperature of one pound of water one degree Fahrenheit;

"Cubic foot" means a standard unit of gas measurement and is defined as the amount of gas occupying a cubic foot of space at a pressure of 30 inches of mercury (approximately 14.7 psi) and a temperature of 60 degrees Fahrenheit;

"Fuels" includes natural gas and propane, as well as other fuels in gaseous form suitable for the generation of power to propel motor vehicles;

"Gallon" means a measure of volume equivalent to 231 cubic inches. When used as a standard unit of measure for liquid natural gas and other liquid fuels, it refers to a gallon of liquid fuel at a temperature of 60 degrees Fahrenheit;

"Natural gas" means naturally occurring mixtures of hydrocarbon gases and vapors consisting principally of methane, whether in gaseous or liquid form;

"Propane" means a gaseous paraffin hydrocarbon, which becomes liquid under pressure or reduced temperatures;

"Psi" means pounds of pressure per square inch.

(b) The tax imposed on natural gas and propane in their gaseous forms shall be computed based on their liquid gallon equivalents.

(c) Compressed Propane (Gaseous Form) Equivalency Table. At 14.73 psi and 60 degrees Fahrenheit:

1 cubic foot propane = 0.0278 gallons propane

100 cubic feet propane = 2.78 gallons propane

1 gallon propane = 35.97 cubic feet propane

100 gallons propane = 3597 cubic feet propane

(d) Natural Gas (Gaseous Form) Equivalency Table. At 14.73 psi and 60 degrees Fahrenheit:

1 cubic foot natural gas = 0.012 gallons natural gas

100 cubic feet natural gas = 1.2 gallons natural gas

* 1 gallon natural gas = 82.62 cubic feet natural gas

100 gallons natural gas = 8262 cubic feet natural gas

(e) Converting Liters to Gallons. To convert liters to gallons, multiply the number of liters by 0.26417 to determine the equivalent number of gallons.

(f) Temperature and Pressure Corrections. When necessary to correct for temperature and pressure, for example when motor vehicle fuels are not measured at 14.73 psi or 60 degrees Fahrenheit, refer to the most recent edition of National Institute of Standards and Technology Handbook No. 44 for the proper correctional factors.

(Effective April 28, 2000.)

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Alternative Fuels Data Center – Fuel Properties Comparison

	Gasoline	Diesel (No. 2)	Biodiesel	Propane (LPG)	Compressed Natural Gas (CNG)	Liquefied Natural Gas (LNG)	Ethanol	Methanol	Hydrogen	Electricity
Chemical Structure	C ₄ to C ₁₂	C ₈ to C ₂₅	Methyl esters of C ₁₂ to C ₂₂ fatty acids	C ₃ H ₈ (majority) and C ₄ H ₁₀ (minority)	CH ₄ (83-99%), C ₂ H ₆ (1-13%)	CH ₄	CH ₃ CH ₂ OH	CH ₃ OH	H ₂	N/A
Fuel Material (feedstocks)	Crude Oil	Crude Oil	Fats and oils from sources such as soy beans, waste cooking oil, animal fats, and rapeseed	A by-product of petroleum refining or natural gas processing	Underground reserves	Underground reserves	Corn, grains, or agricultural waste (cellulose)	Natural gas, coal, or woody biomass	Natural gas, methanol, and electrolysis of water	Coal, nuclear, natural gas, hydroelectric, and small percentages of wind and solar
Gasoline Gallon Equivalent	100%	1 gallon of diesel has 113% of the energy of one gallon of gasoline.	B100 has 103% of the energy in one gallon of gasoline or 93% of the energy of one gallon of diesel. B20 has 109% of the energy of one gallon of gasoline or 99% of the energy of one gallon of diesel.	1 gallon of propane has 73% of the energy of one gallon of gasoline.	5.66 pounds or 12.67 cu. ft. of CNG has 100% of the energy of one gallon of gasoline. [1]	1 gallon of LNG has 64% of the energy of one gallon of gasoline.	1 gallon of E85 has 73% to 83% of the energy of one gallon gasoline (variation due to ethanol content in E85). 1 gallon of E10 has 96.7% if the energy of one gallon of gasoline. [2]	1 gallon of methanol has 49% of the energy of one gallon of gasoline.	1 kg or 2.198 lbs. of H ₂ has 100% of the energy of one gallon of gasoline.	33.70 kWh has 100% of the energy of one gallon of gasoline.
Energy Content (Lower heating value)	116,090 Btu/gal (g)	128,450 Btu/gal (g)	119,550 Btu/gal for B100 (g)	84,950 Btu/gal (g)	20,268 Btu/lb (g) [1]	74,720 Btu/gal (g)	76,330 Btu/gal for E100 (g)	57,250 Btu/gal (g)	51,585 Btu/lb (g)	3,414 Btu/kWh

Quarterly Federal Excise Tax Return

▶ See the Instructions for Form 720.
 ▶ Information about Form 720 and its instructions is at www.irs.gov/form720.

OMB No. 1545-0023

Check here if:
 Final return
 Address change

Name	Quarter ending
Number, street, and room or suite no. (If you have a P.O. box, see the instructions.)	Employer identification number
City or town, state or province, country, and ZIP or foreign postal code	

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Part I	IRS No.	Environmental Taxes (attach Form 6627)	Tax	IRS No.
	18	Domestic petroleum oil spill tax		18
	21	Imported petroleum products oil spill tax		21
	98	Ozone-depleting chemicals (ODCs)		98
	19	ODC tax on imported products		19
		Communications and Air Transportation Taxes (see instructions)	Tax	
	22	Local telephone service and teletypewriter exchange service		22
	26	Transportation of persons by air		26
	28	Transportation of property by air		28
	27	Use of international air travel facilities		27
		Fuel Taxes	Tax	
	60	(a) Diesel, tax on removal at terminal rack	.244	60
		(b) Diesel, tax on taxable events other than removal at terminal rack	.244	
		(c) Diesel, tax on sale or removal of biodiesel mixture (not at terminal rack)	.244	
	104	Diesel-water fuel emulsion	.198	104
	105	Dyed diesel, LUST tax	.001	105
	107	Dyed kerosene, LUST tax	.001	107
	119	LUST tax, other exempt removals (see instructions)	.001	119
	35	(a) Kerosene, tax on removal at terminal rack (see instructions)	.244	35
		(b) Kerosene, tax on taxable events other than removal at terminal rack	.244	
	69	Kerosene for use in aviation (see instructions)	.219	69
	77	Kerosene for use in commercial aviation (other than foreign trade)	.044	77
	111	Kerosene for use in aviation, LUST tax on nontaxable uses	.001	111
	79	Other fuels (see instructions)		79
	62	(a) Gasoline, tax on removal at terminal rack	.184	62
		(b) Gasoline, tax on taxable events other than removal at terminal rack	.184	
	13	Any liquid fuel used in a fractional ownership program aircraft	.141	13
	14	Aviation gasoline	.194	14
	112	Liquefied petroleum gas (LPG)	.183	112
	118	"P Series" fuels	.184	118
	120	Compressed natural gas (CNG) (GGE = 126.67 cu. ft.)	.183	120
	121	Liquefied hydrogen	.184	121
	122	Fischer-Tropsch process liquid fuel from coal (including peat)	.244	122
	123	Liquid fuel derived from biomass	.244	123
	124	Liquefied natural gas (LNG)	.243	124
	33	Retail Tax—Truck, trailer, and semitrailer chassis and bodies, and tractor	12% of sales price	33
	29	Ship Passenger Tax	Tax	
		Transportation by water	\$3 per person	29
	31	Other Excise Tax	Tax	
		Obligations not in registered form	\$.01	31
	30	Foreign Insurance Taxes—Policies issued by foreign insurers	Tax	IRS No.
		Casualty insurance and indemnity bonds	\$.04	30
		Life insurance, sickness and accident policies, and annuity contracts	.01	
		Reinsurance	.01	