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FINANCE, REVENUE AND BONDING COMMITTEE

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CT General Assembly

Reference: H.B. No. 5466 (RAISED) AN ACT CONCERNING DEPARTMENT OF REVENUE SERVICES' PROCEDURES FOR BACKGROUND CHECKS FOR JOB APPLICANTS, APPLICABILITY OF THE ESTATE TAX AND TAXATION OF MOTOR FUEL IN GASEOUS FORM.

Good morning Senator Fonfara and Representative Widlitz and other distinguished members of your committee. I am Mike Morrissey, from Glastonbury. I am also the Connecticut State Director to the National Propane Gas Association. Today, I represent our local trade association members who provide propane gas service to our state. I am here to speak in support of **H.B. No. 5466 (RAISED) AN ACT CONCERNING DEPARTMENT OF REVENUE SERVICES' PROCEDURES FOR BACKGROUND CHECKS FOR JOB APPLICANTS, APPLICABILITY OF THE ESTATE TAX AND TAXATION OF MOTOR FUEL IN GASEOUS FORM.**

Since July 1, 2008 when propane lost its statutory exemption from road tax, it along with natural gas, has essentially been penalized when used as an alternate motor fuel. In the case of propane more popularly referred as ***autogas***, the penalty has been just over 36% when compared to a standard BTU per gallon measurement to gasoline.

At the very least, we need to tax propane autogas equally on a BTU basis. Using the referenced chart (lower heating value – reverse side) produced by the ALTERNATE FUEL DATA CENTER[1], gasoline is rated 116,090 BTU per gallon. Propane is rated at 84,950 BTU per gallon. Recognizing this difference in BTU per gallon between these two fuels, propane on a cost per gallon should be fairly taxed at a rate of **19.0258 cents per gallon versus the current rate of 26 cents per gallon.**

Last week, UPS[2] announced they will be purchasing 1000 delivery vehicles operating on ***autogas*** and will install 50 private fueling stations to support these vehicles for a total cost of almost 70 million dollars. Last year, the cities of Shelton and Torrington purchased over 100 school buses which operate on ***autogas***.

Clearly, ***autogas*** is gaining a lot more traction in America and joins over 19 million vehicles worldwide operating on it now. Establishing BTU parity on a per gallon basis when it comes to excise tax, is the right way to go and will eliminate any penalty a private fleet owner will pay when operating on ***autogas*** in our state.

I would be happy to answer any questions at this time

[1] http://www.afdc.energy.gov/fuels/fuel_comparison_chart.pdf
[2] http://www.forbes.com/sites/greatspeculations/2014/03/07/ups-to-benefit-from-fleet-running-on-alternative-fuel/

Alternative Fuels Data Center – Fuel Properties Comparison

Chemical Structure	C_5 to C_{12}	C_5 to C_{23}	Methyl esters of C_{12} to C_{22} fatty acids	C_3H_8 (majority) and C_4H_{10} (minority)	CH_4 (83-99%), C_2H_6 (1-13%)	CH_4	CH_3CH_2OH	CH_3OH	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 126.67 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