

Norwich



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Norwich, CT 06360
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Members
Finance, Revenue and Bonding Committee
Legislative Office Building
Hartford, CT 06106-1591

March 13, 2014

Re: Public Hearing regarding Raised Bill 5466, Section 3

Section 3 of Raised Bill 5466 contains language that corrects the conversion factors for computing the liquid gallon equivalent of gaseous transportation motor vehicle fuels for tax purposes in Connecticut by matching the applicable federal conversion standards. However, this legislation only corrects the conversion factor for one year beginning July 1, 2014. I would strongly encourage the Legislature to make this a permanent change.

As an example, in Connecticut Compressed Natural Gas (CNG) is taxed at the equivalent rate of 82.62 Standard Cubic Feet of natural gas = one Gasoline Gallon Equivalent (GGE). The Federal Standard, which is recognized nationwide, defines one GGE of CNG as the equivalent of 126.67 Standard Cubic Feet. The result is a significant tax increase on each Gasoline Gallon Equivalent of Compressed Natural Gas sold in Connecticut when compared to tax for a gallon of gasoline.

The Administration and the Department of Energy and Environment Protection are encouraging the use of cleaner alternative fuels for transportation in the Comprehensive Energy Strategy and the Draft Clean Vehicle Action Plan. Correcting this tax inequity will support this effort and promote the use of Compressed Natural Gas for transportation use in Connecticut, resulting in improved air quality and reduced dependence on foreign oil.

Thank you for your consideration of this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Polubiatko".

Peter Polubiatko
Coordinator
Norwich Area Clean Cities Coalition