



RAILROAD COMMISSION OF TEXAS

ALTERNATIVE FUELS RESEARCH & EDUCATION DIVISION

Implementation Schedule: HB 2148 and HB 2305

CNG and LNG Motor-Fuel Tax

HB 2148 changes the way the Comptroller collects motor-fuel taxes on CNG and LNG. Starting September 1, 2013, instead of paying CNG and LNG motor-fuel tax once a year by buying a prepaid liquefied gas tax decal, drivers will pay tax at the pump each time they fill up, as they do when buying gasoline. The rate is 15 cents per gasoline gallon equivalent (GGE) or diesel gallon equivalent (DGE), depending on whether the dispenser lists the price of the fuel in GGE or DGE.

The Comptroller's Office advises that all current CNG and LNG tax decals will expire August 31, 2013, and prorated refunds for the unexpired portion of the prepaid tax will be issued September 16. (HB 2148 provides an exception for transit companies that were issued liquefied tax decal licenses before August 31, 2013, and whose refueling facilities are accessible only to their own vehicles.)

HB 2148 exempts CNG and LNG delivered into a vehicle operated exclusively by the U.S. government, a public school district, a school district's contract bus fleet, a volunteer fire department, a county, or an electric or telephone co-op. CNG or LNG delivered into an off-road vehicle or a piece of off-road equipment is also tax-exempt.

For more information, go to www.window.state.tx.us, click on Texas Taxes at the top of the page, and scroll down to "Liquefied Gas."

Annual CNG Vehicle Safety Inspection

Starting September 1, 2014, HB 2305 will require the operator of a CNG vehicle, at the time of the vehicle's annual safety inspection, to prove that the vehicle's CNG fuel cylinder has been inspected, found to comply with applicable federal safety standards (49 *Code of Federal Regulations* §571.304), and is not past its expiration date.

The Texas Department of Public Safety will implement the CNG cylinder-inspection program. By January 1, 2014, DPS must adopt rules stating what documents constitute proof of compliance. Under HB 2305, the rules must accept as proof a document that shows the vehicle is operated by a fleet that employs a technician who is certified to inspect CNG cylinders.

For the full text of HB 2305, go to www.legis.state.tx.us, select "Bill Number," enter HB 2305 in the search box, and hit "Go." Then click on the "Text" tab at the top of the page and choose a PDF, Word or HTML version of the "Enrolled" (final) version of the bill.

For information about certification as a CNG cylinder inspector, go to www.csagroup.org, scroll down to "Automotive" under "Related Industries," and select "Natural Gas Systems."