

112TH CONGRESS
2D SESSION

H. R. 3832

To amend the Internal Revenue Code of 1986 to provide for the equalization of the excise tax on liquefied natural gas and per energy equivalent of diesel.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 2012

Mr. THORNBERRY 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 provide for the equalization of the excise tax on liquefied natural gas and per energy equivalent of diesel.

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 “LNG Excise Tax
5 Equalization Act of 2012”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) Liquefied natural gas has an energy content
9 of 84,820 Btu per gallon (higher heating value).

1 (2) Diesel has an energy content of 137,380
2 Btu per gallon (higher heating value).

3 (3) A gallon of liquefied natural gas only pro-
4 duces 61.74 percent of the energy produced from a
5 gallon of diesel; however, the Federal excise taxes on
6 liquefied natural gas and diesel are both 24.3 cents
7 per gallon.

8 (4) The Federal excise tax on compressed nat-
9 ural gas is 18.3 cents per energy equivalent of a gal-
10 lon of gasoline.

11 **SEC. 3. EQUALIZATION OF EXCISE TAX ON LIQUEFIED NAT-**
12 **URAL GAS AND PER ENERGY EQUIVALENT OF**
13 **DIESEL.**

14 (a) IN GENERAL.—Subparagraph (B) of section
15 4041(a)(2) of the Internal Revenue Code of 1986 is
16 amended by striking the period at the end of clause (ii)
17 and inserting “, and”, and by inserting after clause (ii)
18 the following new clause:

19 “(iii) in the case of liquefied natural
20 gas, 24.3 cents per energy equivalent of a
21 gallon of diesel.”.

22 (b) ENERGY EQUIVALENT OF A GALLON OF DIESEL
23 AND ADMINISTRATIVE PROVISION.—Paragraph (2) of sec-
24 tion 4041(a) of such Code is amended by adding at the
25 end the following:

1 “(C) ENERGY EQUIVALENT OF A GALLON
 2 OF DIESEL.—For purposes of this paragraph,
 3 the term ‘energy equivalent of a gallon of diesel’
 4 means, with respect to a liquefied natural gas
 5 fuel, the amount of such fuel having a Btu con-
 6 tent of 137,380 (higher heating value).

7 “(D) ADMINISTRATIVE PROVISIONS.—For
 8 purposes of applying this title with respect to
 9 the taxes imposed by this subsection, references
 10 to any liquid subject to tax under this sub-
 11 section shall be treated as including references
 12 to liquefied natural gas subject to tax under
 13 this paragraph.”.

14 (c) CONFORMING AMENDMENTS.—Section
 15 4041(a)(2)(B)(ii) of such Code is amended—

16 (1) by striking “liquefied natural gas,” and
 17 (2) by striking “peat), and” and inserting
 18 “peat) and”.

19 (d) EFFECTIVE DATE.—The amendments made by
 20 this section shall apply to any sale or use of liquefied nat-
 21 ural gas after 14 days after the date of the enactment
 22 of this Act.

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