

HR XXXX NAT GAS Act of 2011

Fact Sheet

On April 6, 2011, Representatives John Sullivan (R-OK), Dan Boren (D-OK), John Larson (D-CT) and Kevin Brady (R-TX) introduced the New Alternative Transportation to Give Americans Solutions (NAT GAS) Act of 2011 (HR XXXX). The bill is driven by the need for America to quickly reduce its dependence on foreign oil while simultaneously reducing greenhouse gases and urban pollution. To achieve those goals, the bill's objective is to accelerate the production and use of more natural gas-fueled vehicles. The basic provisions of the bill would:

- 1. Create or Extend for 5 years tax credits for the use of natural gas as a vehicle fuel, the purchase of natural gas-fueled vehicles, and the installation of natural gas vehicle refueling properties, and make Indian tribes eligible for these credits:**
 - Currently, a version of the alternative fuel credit and the natural gas vehicle refueling property credit would expire on 12/31/11
 - A version of the natural gas-fueled vehicle credit expired on 12/31/2010

- 2. Expand and modify the previous alternative fueled vehicle and refueling property tax credits as follows:**
 - Makes all new dedicated natural gas vehicles and certain bi-fuel and dual-fuel natural gas vehicles eligible for a credit equal to 80 % of the incremental cost up to a credit cap
 - Makes bi-fuel natural gas vehicles eligible for the maximum tax credit allowed (80% of incremental cost up to a credit cap) if the vehicle is capable of operating a minimum of 85 percent of its total range on compressed or liquefied natural gas
 - Makes dual-fuel natural gas vehicles eligible for the maximum tax credit allowed (80% of incremental cost up to a credit cap) if the vehicle is capable of operating on a mixture of no less 90 percent compressed or liquefied natural gas and no more than 10% gasoline or diesel;
 - Makes all other natural gas vehicles eligible for a credit worth 50% of the incremental cost up to a credit cap
 - Makes the maximum value of the tax credit provided \$7,500 to \$64,000 depending on the weight of the vehicle
 - Increases the refueling property tax credit from 30% or \$30,000 to 50% or \$100,000 per station (whichever is less) and the home refueling from \$1,000 to \$2,000

- 3. Exclude the natural gas vehicle and natural gas fueling infrastructure credits from coverage by the AMT provisions, and to be transferable by the taxpayer back to the manufacturer, seller or to the lessee.**

- 4. Provide for a production tax credit to the manufacturer of NGVs**

- 5. Clarify the definition of “Advanced Technology Vehicle” to include dedicated, bi-fuel, and dual-fuel natural gas powered vehicles, and to allow covered fleet under EPC Act 1992 to receive EPC Act credits for repowering vehicles and converting older vehicles.**

- 6. Express Sense of the Congress resolutions that:**
 - Directs the EPA to take steps to reduce the regulatory burden on conversion manufacturers. (EPA finalized streamlining rules on March 29 but omitted some critical changes).**
 - Directs the EPA and NHTSA to fashion appropriate credits to reward manufacturers of NGVs for their petroleum reductions and their greenhouse gas reductions.**

- 7. Directs the Secretary of DOE to provide funding for RD&D to improve NGV performance and efficiency and to integrate natural gas engines into additional on-road vehicles**