

SESSION OF 2014

SUPPLEMENTAL NOTE ON SENATE BILL NO. 379

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 379 would calculate the conversion of the compressed natural gas to gasoline gallon energy equivalent and the liquified natural gas to diesel gallon energy equivalent for the purpose of per-gallon taxation on natural gas motor fuel. The conversion formula would compute 126.67 cubic feet or 5.66 pounds of compressed natural gas as the energy equivalent of one gallon of gasoline, and it would be taxed at \$0.24 per gallon. The conversion formula would compute 6.06 pounds of liquified natural gas as the energy equivalent of one gallon of diesel, and it would be taxed at \$0.26 per gallon.

Background

SB 379 was introduced by the Committee on Ways and Means. A representative from Clean Energy, a California natural gas motor fuel company, appeared in support of the bill. There was no neutral or opposing testimony.

The Senate Committee made a technical amendment at the request of the Clean Energy representative.

The fiscal note, as provided by the Division of the Budget, indicates the bill would have negligible fiscal effect on motor fuel tax revenue. The Department of Revenue would require \$1,050 from the State General Fund in FY 2014 for

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

the costs associated with updating forms and instructions, which would need to be updated prior to July 1, 2014.