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113TH CONGRESS
1ST SESSION

S. 1103

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 SENATE OF THE UNITED STATES

JUNE 6, 2013

Mr. BENNET (for himself and Mr. BURR) introduced the following bill; which was read twice and referred to the Committee on Finance

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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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "LNG Excise Tax Equalization Act of 2013".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Liquefied natural gas has an energy content of 74,700 Btu per gallon (lower heating value).

(2) Diesel has an energy content of 128,700 Btu per gallon (lower heating value).

(3) A gallon of liquefied natural gas only produces 58.04 percent of the energy produced from a gallon of diesel; however, the Federal excise taxes on liquefied natural gas and diesel are both 24.3 cents per gallon.

(4) The Federal excise tax on compressed natural gas is 18.3 cents per energy equivalent of a gallon of gasoline.

SEC. 3. EQUALIZATION OF EXCISE TAX ON LIQUEFIED NATURAL GAS AND PER ENERGY EQUIVALENT OF DIESEL.

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

"(iii) in the case of liquefied natural gas, 24.3 cents per energy equivalent of a gallon of diesel.".

(b) ENERGY EQUIVALENT OF A GALLON OF DIESEL AND ADMINISTRATIVE PROVISION.—Paragraph (2) of section 4041(a) of such Code is amended by adding at the end the following:

"(C) ENERGY EQUIVALENT OF A GALLON OF DIESEL.—For purposes of this paragraph, the term 'energy equivalent of a gallon of diesel' means, with respect to a liquefied natural gas fuel, the amount of such fuel having a Btu content of 128,700 (lower heating value).

"(D) ADMINISTRATIVE PROVISIONS.—For purposes of applying this title with respect to the taxes imposed by this subsection, references to any liquid subject to tax under this subsection shall be treated as including references to liquefied natural gas subject to tax under this paragraph.".

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

(1) by striking "liquefied natural gas,", and

(2) by striking "peat), and" and inserting "peat) and".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any sale or use of liquefied natural gas after 14 days after the date of the enactment of this Act.

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