

HR 1835 NATGAS Side by Side

Issue	Current law	111 th Congress NAT GAS Act; HR 1835
Section 101: Extension of Alternative Fuel Credit (Internal Revenue Code (IRC), §§ 6426, 6427)	Current law allows for a 50 cents fuel tax credit for CNG (per 121 cubic feet) or LNG gallon when used as a transportation fuel; <ul style="list-style-type: none"> o Credit expires 12/31/2009 	Section 101: Extends the alternative fuel credits for CNG and LNG until December 2027.
Section 102: Extension of alternative fuel vehicle credit (IRC §30B(e))	Income tax credit for the purchase of an alternative fueled vehicle <ul style="list-style-type: none"> a. Income tax credit for the purchase of an alternative fueled vehicle that ranges from \$2,500 - \$32,000 or 50 percent to 80 percent of the incremental cost of the vehicle b. The incremental cost is capped and the amount of the incremental cost depends on the weight classification of the vehicle c. The value of the credit depends on the cleanliness of the vehicle. Expiration: <ul style="list-style-type: none"> d. Credit expires 12/31/2010 	Section 102: Extends the natural vehicle credits until December 2027.
Section 103: Allow natural gas vehicle and infrastructure tax credits to count against the AMT provision (IRC, §§30B(e), 30C, 38)	Not currently available today	Section 103: Allows the natural gas vehicle and natural gas fueling infrastructure credits to count against the AMT provisions and makes the credits transferrable.
Section 103: Allow natural gas vehicle and infrastructure tax credits to be transferred (IRC, §§30B(e), 30C, 38)	This option is not available under current law	Section 103: Allow the natural gas vehicle and natural gas fueling infrastructure credits to be transferred.

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<p>Section 104: Modification of credit for purchase of vehicles fueled by natural gas or liquefied natural gas (IRC, §30B(e))</p>	<p>Under current law the purchaser or seller of an alternative fueled vehicle is eligible for</p> <ul style="list-style-type: none"> e. Income tax credit for the purchase of an alternative fueled vehicle that ranges from \$2,500 - \$32,000 or 50 percent to 80 percent of the incremental cost of the vehicle f. The incremental cost is capped and the amount of the incremental cost depends on the weight classification of the vehicle g. The value of the credit depends on the cleanliness of the vehicle. h. Bi fuel vehicles are not eligible for the credits 	<p>Section 104:</p> <ul style="list-style-type: none"> a. Makes all new dedicated alternative fueled vehicles eligible for a credit equal to 80 percent of the incremental cost. b. Makes certain bi-fuel alternative fueled vehicles eligible for a tax credit equal to 50 percent of the incremental cost. c. Increases the light-duty vehicle purchase tax credit by 150 percent (from \$5,000 to \$12,500), and doubles the vehicle purchase tax credits for all other vehicle weight classes.
<p>Section 105: Modifies the definition of a new qualified alternative fuel motor vehicle (IRC, §30B(e))</p>	<p>Not available today</p>	<p>Section 105:</p> <ul style="list-style-type: none"> o Expands definition of qualified alternative fuel motor vehicle to include bi-fuel alternative fueled vehicles that are capable of operating on natural gas and (but not in combination with) gasoline or diesel fuel, but only if such a vehicle has an operating range of not less than 200 miles when operating on natural gas
<p>Section 201: Natural gas vehicle production incentives</p>	<p>Sections 131 - 136 of EISA 2007 & Section 1703 of EPAct 2005 create new federal programs to increase the production and use of electric drive vehicles including HEVs and plug-in electric vehicles. Incentives include loan guarantees, demonstration grants, and an educational program. These provisions are</p>	<p>Section 201: Creates a new tax credit in section 45R of the IRC for OEMs that produce dedicated and bifuel NGVs</p> <ul style="list-style-type: none"> o Provides a tax credit equal to the lesser of 10 percent of basis of the vehicle or \$4,000 o limits the aggregate credits per manufacturer to \$200 million

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	intended to help automakers revamp facilities to gear up for production of hybrid, diesel as well as plug-in electric vehicles. Vehicle systems and suppliers also are included as potential grantees or beneficiaries of these programs.	Expiration: <ul style="list-style-type: none"> ○ Credit expires 12/31/2017
Section 301: Extension and Modification of alternative fuel vehicle refueling property credit (IRC, § 30C)	Income tax credit for natural gas vehicle refueling property: <ul style="list-style-type: none"> ○ Income tax credit for natural gas vehicle refueling property equal to the lesser of \$30,000 or 30 percent of the property ○ \$1,000 credit for a home refueling unit Credit expires 12/31/2010	Section 301: Extends natural gas vehicle refueling property credit. Expiration: <ul style="list-style-type: none"> ○ Credit expires 12/31/27. <i>Provision is included as Sec 207 in ARRA: PL 110-343:</i> <ul style="list-style-type: none"> ○ <i>The bill extends the 30% or \$30,000 tax credit for alternative refueling property, through December 31, 2010.</i> ○ <i>The bill also adds electric vehicle recharging property to the types of property eligible for the credit.</i>
Section 302: Increase in credit for certain alternative fuel vehicle refueling property (IRC, §30C)	Under current law an individual building an alternative vehicle refueling property is eligible for: <ul style="list-style-type: none"> ○ Income tax credit equal to the lesser of \$30,000 or 30 percent of the property ○ \$1,000 credit for a home refueling unit Credit expires 12/31/2010	Section 302: Provision changes the 30% or \$30,000 credit to 50% or \$100,000 per CNG or LNG station, and changes the credit for a home refueling unit from \$1,000 to \$2,000 <i>Provision is included in ARRA (2009)</i> <ul style="list-style-type: none"> ○ <i>Credit increased from \$30,000 or 30 percent to the lesser of \$50,000 or 50 percent;</i> ○ <i>Credit for a home refueling unit increased from \$1,000 to \$2,000</i>
Section 401: Natural gas vehicles in the federal fleet	The corporate average fuel economy provisions currently provide incentives for manufacturers that produce alternative fuel vehicles	Section 401: Requires that no later than 12/31/2014 that at least 50 percent of the new vehicles purchased and placed into service by the Federal government must be capable of operating on compressed or liquefied natural gas.

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Section 402: Grants for NGV RD&D	US DOE used to have an active NGV RD&D program but it has not funded it for the past few years	Section 402: Provides for grants for LD and HD natural gas vehicle and engine development.