



Natural Gas Vehicles for America

400 North Capitol Street, N.W.
Washington, D.C. 20001
ngvamerica.org

Contact: Matthew Godlewski
President

mgodlewski@ngvamerica.org
(202) 824-7397 [o]
(202) 306-2985 [m]

PRESS RELEASE

Advocating the increasing use of NGVs where they benefit most.
For the economy. For the environment. For health. For security. **For America.**

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NGVAmerica Applauds Congress for Introducing Legislation to Put Cleaner Trucks on U.S. Roads

Washington, D.C. — NGVAmerica applauds Senator Bill Cassidy (R-LA) and Congressman Tim Ryan (D-OH) for introducing the Natural Gas Truck Tax Parity Act of 2016, legislation that provides natural gas and other alternative fueled vehicles with a partial exclusion from the Federal Excise Tax (FET) imposed on heavy-duty trucks. The proposal would accelerate the growth of environmentally-friendly, clean-burning heavy-duty natural gas trucks on America's highways.

"This common-sense legislation would help level the playing field when it comes to the taxation of alternative fueled trucks and remove another barrier to the greater utilization of clean-burning, low-cost, domestic natural gas in transportation," said Matthew Godlewski, president of NGVAmerica. "NGVAmerica commends Senator Bill Cassidy and Congressman Tim Ryan for introducing legislation that would result in cleaner and greener trucks on America's highways.

The U.S. tax code currently imposes a 12 percent federal excise tax (FET) on the sale of all heavy-duty trucks, tractors, and trailers. This tax is the highest federal excise tax on a percentage basis on any product and there are strong arguments for eliminating the tax entirely. Because natural gas fuel systems add to the overall cost of a truck, the 12 percent FET unfairly creates an additional tax burden, an average of \$7,000 per truck, and an unnecessary disincentive to those purchasing new, cleaner, safer and more fuel efficient trucks.

If passed, this legislation would provide a permanent 35 percent exclusion from the 12 percent FET for alternative fueled heavy-duty trucks. This exclusion is designed to cover the additional incremental cost of heavy-duty natural gas trucks, ensuring the cleaner-burning trucks do not pay more in taxes than comparable diesel-powered trucks.

Some states—South Carolina and New Mexico—already recognize this inequity and exempt portions of the vehicle cost from state sales taxes. The proposal introduced today by Senator

Cassidy and Congressman Ryan would extend this commonsense tax fix to the FET and would have a significant impact on putting cleaner alternative fueled trucks on America's roads.

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About NGVAmerica

NGVAmerica is the national organization driving the use of natural gas as a clean, domestic, safe and abundant transportation fuel. The organization represents more than 200 companies, environmental groups, and government organizations interested in the promotion and use of more clean-burning natural gas in transportation. For more information, visit www.ngvamerica.org.