

104TH CONGRESS  
2D SESSION

# H. R. 3315

To amend the Internal Revenue Code of 1986 to provide that the rate of tax on liquefied natural gas shall be equivalent to the rate of tax on compressed natural gas.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 1996

Mr. THORNBERRY introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide that the rate of tax on liquefied natural gas shall be equivalent to the rate of tax on compressed natural gas.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. RATE OF TAX ON LIQUEFIED NATURAL GAS TO**  
4 **BE EQUIVALENT TO RATE OF TAX ON COM-**  
5 **PRESSED NATURAL GAS.**

6 (a) IN GENERAL.—Paragraph (3) of section 4041(a)  
7 of the Internal Revenue Code of 1986 is amended to read  
8 as follows:

1           “(3) COMPRESSED OR LIQUEFIED NATURAL  
2 GAS.—

3           “(A) IN GENERAL.—There is hereby im-  
4 posed a tax on compressed or liquefied natural  
5 gas—

6                   “(i) sold by any person to an owner,  
7 lessee, or other operator of a motor vehicle  
8 or motorboat for use as a fuel in such  
9 motor vehicle or motorboat, or

10                   “(ii) used by any person as a fuel in  
11 a motor vehicle or motorboat unless there  
12 was a taxable sale of such gas under clause  
13 (i).

14           The rate of the tax imposed by this paragraph  
15 shall be 48.54 cents per MCF (determined at  
16 standard temperature and pressure) in the case  
17 of compressed natural gas and 3.54 cents per  
18 gallon in the case of liquefied natural gas.”

19           (b) CONFORMING AMENDMENT.—Paragraph (2) of  
20 section 4041(a) of such Code is amended by striking  
21 “(other” and all that follows through “4081)” and insert-  
22 ing “(other than liquefied natural gas, kerosene, gas oil,  
23 or fuel oil, or any product taxable under section 4081)”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on the date of the enactment  
3 of this Act.

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