



Federal Tax Credits for Vehicles, CNG Fueling Infrastructure and CNG Fuel

- Section 1341 of the Energy Policy Act of 2005 provides a tax credit to buyers of new dedicated alternative fuel vehicles beginning January 1, 2006. Find more information at: [Alternative Motor Vehicle Credit](#), [Drive Clean](#), or [IRS Hybrid Cars and Alternative Fuel Vehicles](#) (links open in new browser window)
- Section 1342 of the Energy Policy Act of 2005 provides a tax credit equal to 30% of the cost alternative refueling property, up to \$30,000 for business property. See the [Alternative Fuel Infrastructure Tax Credit](#)
- Section 1113: of the Transportation Equity Act (HR3) provides a volumetric excise tax credit to the seller of natural gas (CNG or LNG)
- The credit is for 50 cents per gallon of CNG or LNG (to sellers or retailers)
- An increase of the excise tax has also been put into effect:
 - CNG has increased from 4.3 cents to 18.3 cents per gge
 - LNG has increased from 11.9 cents to 24.3 cents per LNG gallon
- With payment of the excise tax, the credit for CNG will be for 31.7 cents per gge, and 43.37 cents per diesel gallon equivalent (dge) of LNG (1.7 gals of LNG \approx 1 gallon of diesel.)

The excise fuel tax credit included in the Transportation Equity Act will not be available until October 2006, and is in effect until October 2009.

Light-duty natural gas vehicles tend to cost \$4,000 to \$8,000+ more than a gasoline-powered vehicle. The cost of medium and heavy-duty vehicles is largely dependent on the type of vehicle and the number of fuel storage cylinders. Frequently, financial incentives and tax credits are available from local, state and federal agencies to help offset the initial higher premium. Additional benefits include access to carpool or High Occupancy Vehicle (HOV) lanes with a single occupant and bridge toll waiver.

To learn more specifics about natural gas vehicles and **gCNG™** call 888-FGFUELS. (888-343-8357) or send us an email: greenfuels@buycng.com

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