NGVAMERICA
Natural Gas Vehicles for America

The Case for The NAT GAS Act in the 112th Congress

- North American natural gas is abundant, cleaner and cheaper than gasoline and diesel fuel. Importantly, natural gas vehicles (NGVs) are the only off-the-shelf technology available *today* to replace diesel in medium- and heavy-duty applications.

- Congressional action and leadership can help get more NGVs on our roads faster by extending and expanding three major tax incentives.

- One of these tax incentives, while already in place, requires annual renewal – causing uncertainty in the marketplace. Another expires at the end of this year. Yet another expired at the end of 2010. **Providing these incentives for a longer period would enable businesses (and small businesses in particular) to plan their vehicle and fuel needs accordingly and would encourage them to make the switch to an American resource.**

- The Obama Administration is using tax incentives to promote electric vehicle technology, which is appropriate. However, even under the most optimistic forecasts, the number of electric vehicles on the road will only be a fraction of America's 220 million vehicles, and battery technology cannot power a medium- and heavy-duty vehicles that travel significant distances.

- The tax provisions at issue include:

    - Restoring and expanding the natural gas-fueled vehicle income tax credit, which would make:
        - *Dedicated* natural gas-fueled vehicles eligible for a credit equal to 80% of the vehicle's incremental cost (up to a cap based on the vehicle's weight class, ranging from $8,000 to $64,000).
        - *Bi-fuel* and *dual-fuel* natural gas-fueled vehicles eligible for a credit equal to 50% of the above cap.
        - The credit, which expired on December 31, 2010, effective for five years.

    - Extending the alternative fuel credit for purchase of natural gas, which would extend the existing 50 cent per gasoline-gallon-equivalent fuel tax credit—set to expire December 31, 2011—for five years.

    - Extending the natural gas vehicle refueling property credit, which would:
        - Extend the natural gas vehicle refueling property tax credit—set to expire December 31, 2011—for five years.
        - Increase this credit from 30% or $30,000 to 50% or $100,000 per CNG or LNG station.

    - Allowing the natural gas vehicle and fueling infrastructure tax credits to count against the AMT provisions and making them transferrable.

    - Providing a series of incentives for OEMs to produce NGVs in the United States.

- Elements similar to these provisions earned nearly 155 bipartisan cosponsors in the 111th Congress as part of the NAT GAS Act (H.R. 1835 and S. 1408).

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