



## State Incentives and Fees for Natural Gas Vehicles November 2014

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### ALABAMA

**Natural Gas Vehicle Annual Decal Waiver:** [H.B.552](#), enacted in 2014, provides that decals and road tax requirements for natural gas fuels are suspended until Oct. 1, 2016.

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### ARIZONA

**HOV Lane Exemption:** Qualified alternative fuel vehicles may use designated HOV lanes regardless of the number of occupants in the vehicle.

**Alternative Fuel Vehicle Tax Exemption:** [S.B. 1413](#), enacted in 2014, exempts certain alternative fuels such as natural gas, electricity and hydrogen from the state use tax.

**Reduced Alternative Fuel Vehicle License Tax:** Natural gas vehicles are eligible for a reduction in the annual vehicle license tax. The minimum amount of the annual license tax is \$5.

**Alternative Fuel Vehicle Parking Incentive:** An individual may park an alternative fuel vehicle, including those powered by natural gas, in parking areas designated for carpool operators.

**Alternative Fuel Vehicle Acquisition:** Federal fleets based in counties with a population greater than 1.2 million people must operate on at least 90 percent alternative fuel vehicles, including natural gas. Federal fleets must meet the acquisition requirements or apply for waivers. Additionally, at least 75 percent of light-duty state fleet vehicles that are operating in counties with a population greater than 250,000 must be alternative fuel vehicles.

**Automotive Dealer Requirements:** New motor vehicle dealers must information about alternative fuel vehicles and incentives for purchasing or leasing those vehicles available to the public.

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### ARKANSAS

**Alternative Fuel Vehicle Rebates:** [S.B. 792](#), enacted in 2013, provides rebates for qualified CNG, LNG and propane fueling stations of up to 75 percent of qualifying costs, or \$400,000. The legislation also authorizes rebates for up to 50 percent of the conversion cost, or \$4,500, for vehicle conversions to hydrogen fuel cells, CNG, LNG or propane. The Arkansas Energy Office will administer the funds through the Clean-Burning Motor Fuel Development Fund. This rebate is not yet available (as of Oct. 2014).

**Alternative Fuel Rebates:** [S.B. 125](#), enacted in 2013, provides incentives for the differential costs of converting diesel-powered motor vehicles and gasoline-powered motor vehicles into a CNG motor vehicle, bi-fuel compressed natural gas motor vehicle, propane gas motor vehicle or bi-fuel propane gas motor vehicle. The rebate is up to 75 percent of the cost for differential costs and conversion kit or \$5,000 for a motor vehicle with a gross weight under 8,500 pounds, \$8,000 for a motor vehicle with a gross weight under 14,000 pounds, \$20,000 for a motor vehicle with a gross weight under 26,000 pounds or \$32,000 for a motor vehicle with a gross weight of more than 26,000 pounds.

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### CALIFORNIA



**HOV Lane Exemption:** Qualified alternative fuel vehicles may use designated HOV lanes regardless of the number of occupants in the vehicle. Qualified vehicles are also exempt from toll fees in High Occupancy Toll (HOT) lanes.

**Drive Clean! Rebate Program:** The San Joaquin Valley Air Pollution Control District administers the [Drive Clean! Rebate Program](#), which provides rebates of up to \$3,000 for the purchase or lease of eligible new vehicles, including qualified LNG and propane vehicles.

**Insurance Discount:** [Farmers Insurance](#) offers a discount of up to 10 percent on certain insurance coverage for HEV and AFV owners.

**Alternative Fuel & Vehicle Incentives:** Through the [Alternative and Renewable Fuel Vehicle Technology Program](#), the California Energy Commission provide financial incentives for businesses, vehicle and technology manufacturers, workforce training partners, fleet owners, consumers, and academic institutions with the goal of developing and deploying alternative and renewable fuels and advanced transportation technologies.

**Low-Emission School Bus Program:** [The Air Resources Board \(ARB\) and the San Joaquin Valley Air Pollution Control District \(SJVAPCD\)](#) provide grant funding to replace older school buses and for the purchase of air pollution control equipment.

**Compressed Natural Gas and Electricity Tax Exemption:** CNG and electricity that agencies and public transit operators use to operate public transit services is exempt from applicable user taxes a county imposes.

**Natural Gas Fueling Infrastructure Voucher:** [South Coast Air Quality Management District \(SCAQMD\)](#) residents may be eligible for up to \$2,000 toward the purchase and installation of a qualified NGV home fueling appliance. SCAQMD and the Mobile Source Air Pollution Reduction Review Committee provide funding for the program, which will continue until funds have been exhausted.

**Emissions Reduction Funding:** SCAQMD administers the [Air Quality Investment Program \(AQIP\)](#). The AQIP provides funding to allow employers within SCAQMD's jurisdiction to make annual investments into an administered fund to meet employers' emissions reduction targets. The revenues collected are used to fund alternative mobile source emissions/trip reduction programs, including alternative fuel vehicle projects, on an on-going basis.

**Rate Reductions:** Several companies, including [Southern California Gas Company \(SoCalGas\)](#), offer discounted rates for customers fueling natural gas vehicles.

**Alternative Fuels Tax:** California offers a flat rate excise tax on CNG, LNG, and propane based upon vehicle weight. All passenger cars and vehicles under 4,000 pounds are required to pay a fee of \$36. Alternatively, owners may pay an excise tax on CNG of \$0.7 per 100 cubic feet and \$0.06 per gallon on LNG or propane.

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## **COLORADO**

**Alternative Fuel and Vehicle Grants:** The Colorado Energy Office, the Regional Air Quality Council, and the Colorado Department of Transportation provide grants through the [Alt Fuels Colorado program](#). Grants are available for new, publically accessible CNG fueling equipment as well as CNG vehicles.

**Alternative Fuel Tax Credit:** [H.B. 1326](#), enacted in 2014, provides an income tax credit through the Colorado Department of Revenue for a vehicle that uses an alternative fuel. Credit amounts vary based on the alternative fuel, vehicle weight and tax year.



**Alternative Fuels Tax Exemption:** Vehicles, power sources and parts used for converting a vehicle power source to reduce emissions are exempt from the state's sales tax.

**Alternative Fuel Tax:** In 2014, CNG, LNG and propane are subject to a \$0.03 excise tax per gallon. In 2015, CNG will be subject to a \$0.06 tax and LNG and propane will be taxed at \$0.05 per gallon.

**Weight Limit Exemption:** The gross vehicle rating limit for an alternative fuel vehicle operating on natural gas is 1,000 pounds greater than that of a conventional vehicle. This exemption applies to vehicles that are operating on a highway that is not part of the interstate system.

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## **CONNECTICUT**

**Funding for Advanced Technology Vehicles:** [The Connecticut Clean Fuel Program](#) provides funding to municipalities and public agencies that purchase, operate, and maintain alternative fuel and advanced technology vehicles, including those that operate on compressed natural gas, propane, hydrogen, and electricity.

**Alternative Fuel Vehicle Acquisition:** [H.B. 5117](#), enacted in 2014, allows the Connecticut Department of Administrative Services to provide a price preference of up to 10 percent for the purchase of alternative fuel vehicles.

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## **DELAWARE**

**Alternative Fuel Tax Exemption:** Taxes imposed on federal and state alternative fuel vehicles are waived.

**Alternative Fuel Vehicle Acquisition:** All new light-duty vehicles purchased by state agencies must be operate on alternative fuels.

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## **FLORIDA**

**Natural Gas Fleet Vehicle Rebates:** [H.B. 579](#), enacted in 2013, provides that the Florida Department of Agriculture and Consumer Services offer a [fleet vehicle rebate](#) for vehicles placed into service after July 1, 2013. The rebate provides up to 50 percent of the incremental cost of a natural gas fuel fleet vehicle or up to \$25,000 per vehicle and \$250,000 per applicant per fiscal year. The rebate is available to fleet vehicles meaning three or more vehicles registered in the state and used for commercial business or governmental purposes.

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## **GEORGIA**

**HOV Lane Exemption:** Qualified alternative fuel vehicles may use designated HOV lanes regardless of the number of occupants in the vehicle.

**Alternative Fuel Vehicle Tax Credit:** [H.B. 348](#), enacted in 2013, provides an income tax credit to taxpayers who purchase an new commercial medium-duty or heavy-duty alternative fuel vehicle. The credit will be available beginning July 1, 2015. Eligible medium-duty alternative fuel vehicles may qualify for a credit up to \$12,000 and heavy-duty vehicles may qualify for a credit up to \$20,000.

**Alternative Fuel Vehicle Tax Credit:** An [income tax credit](#) is also available to individuals who purchase or lease a new alternative fuel vehicle. The tax credit is available for 10 percent of the vehicle cost or up to \$2,500.



**CNG Fueling Infrastructure Lease:** [Atlanta Gas Light \(AGL\)](#) offers a reduced cost lease on the BRC FuelMaker Phill CNG vehicle home refueling appliance. The \$60 per month lease option is available to the first 500 applicants and includes installation costs of up to \$2,000.

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## **IDAHO**

**Alternative Fuels Tax:** A state excise tax applies to special fuels at a rate of \$0.25 per gallon on a gasoline gallon equivalent bases, with the exception of propane which is taxed on a diesel gallon equivalent basis.

**Alternative Fuels Tax Exemption:** State excise taxes do not apply to special fuels including CNG, LNG and propane.

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## **ILLINOIS**

**Alternative Fuel Vehicle and Alternative Fuel Rebates:** The [Illinois Alternate Fuels Rebate Program](#) provides a rebate for 80 percent, up to \$4,000, of the cost of purchasing or converting an alternative fuel vehicle.

**School Bus Retrofit Reimbursement:** Through the [Illinois Clean School Bus Program](#), the state Department of Education will reimburse qualifying school districts for the cost of converting gasoline school buses to more fuel-efficient or alternative fuel engines.

**Weight Limit Exemption:** A vehicle operating on CNG, LNG or propane may exceed the state's gross vehicle rating limit by 2,000 pounds. This exemption does not apply to interstate highways.

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## **INDIANA**

**Natural Gas Vehicle Tax Credit:** [H.B. 1180](#), enacted in 2014, provides a tax credit to individuals with a natural gas vehicle with a gross vehicle weight rating of more than 33,000 pounds. The tax credit is for 50 percent of the cost of the vehicle, up to \$15,000.

**Alternative Fuel Vehicle Manufacturer Tax Credit:** The Indiana Economic Development Corporation may provide a tax credit for [alternative fuel vehicle manufacturers](#) of up to 15 percent of qualified investments. To be eligible, the manufacturer must compensate its employees at least 150 percent of the state's hourly minimum wage and agree to maintain operations for at least 10 years.

**Natural Gas Tax Credit:** A refundable natural gas tax credit is available for commercial natural gas vehicles in Indiana. The credit is equal to 12 percent of the road taxes imposed on compressed natural gas in the previous year.

**Community Alternative Fuel Vehicle Fleet Grants:** The Indiana Office of Energy Development [offers grants](#) from \$25,000 to \$150,000 for community energy conservation efforts, including projects that support the fleet use of alternative fuel vehicles.

**Weight Limit Exemption:** A natural gas vehicle may exceed the state's gross vehicle weight limit by 2,000 pounds.

**Alternative Fuel Vehicle Inspection Exemption:** Qualified alternative fuel vehicles, including those operating on CNG, LNG and propane, are exempt from inspection and maintenance requirements.



**Alternative Transportation Funding Study:** [H.B. 1104](#), enacted in 2014, requires a study of alternative funding mechanisms for Indiana's transportation infrastructure, including the use of road fees and motor carrier fuel taxes and an evaluation of the effects of the funding mechanisms on alternative fuel vehicles.

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## **IOWA**

**Alternative Fuel Vehicle Acquisition:** Alternative fuels must account for at least 10 percent of new light-duty vehicles under the jurisdiction of the state fleet administrator.

**Natural Gas Tax:** [S.F. 2338](#), enacted in 2014 provides that CNG is subject to an excise tax of \$0.21 per gasoline gallon equivalent and LNG is subject to a tax at the rate of \$0.225 per diesel gallon equivalent.

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## **KANSAS**

**Alternative Fuel Vehicle Tax Credit:** A tax credit of 5 percent or up to \$750 is available for the purchase of an alternative fuel vehicle. Alternatively, an [income tax credit](#) is available for 40 percent of the cost of the vehicle. This credit is based upon the gross vehicle rating. A vehicle weighing less than 10,000 pounds is eligible for up to \$2,400, 10,000 pounds to 26,000 pounds is eligible for up to \$4,000 and a vehicle weighing more than 26,000 pounds is eligible for up to \$40,000.

**Alternative Fueling Infrastructure Tax Credit:** An income tax credit less than \$100,000 per fueling station or up to 40 percent of the total installation cost on alternative fueling infrastructure is available for installations taking place after January 1, 2009.

**Natural Gas Vehicle Loans:** The Communication Federal Credit Union ([CFCU](#)) offers loans for the purchase of new or converted CNG vehicles.

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## **KENTUCKY**

**Compressed Natural Gas Deregulation:** The sale of CNG is not subject to regulation by the Public Service Commission on the rates, terms, or conditions of service.

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## **LOUISIANA**

**Alternative Fuel Vehicle and Fueling Infrastructure Tax Credit:** [S.B. 256](#), enacted in 2013, provide an income tax credit of 50 percent of the cost of converting a conventional vehicle to alternative fuel, 50 percent of the cost of purchasing an original equipment manufacturer alternative fuel vehicle and 50 percent of the cost of alternative fueling equipment. Instead, a taxpayer could choose to take a tax credit of 10 percent of the cost the vehicle, up to \$3,000.

**Alternative Fuel Vehicle Acquisition:** The state Division of Administration must purchase alternative fuel vehicles including those operating on natural gas.

**Compressed Natural Gas Deregulation:** The sale of CNG by producers, pipelines, distribution companies and others is not subject to regulation by the Public Service Commission when it is used as a transportation fuel.

**Alternative Fuel Vehicle Tax:** Owners operating CNG or propane vehicles are subject to a special fuels tax through the state Department of Revenue. Owners may pay either an annual flat rate of \$120 for vehicles with a gross vehicle weight rating of less than 10,000 pounds or pay a variable rate of 80 percent of the special



fuels tax rate. A gross vehicle weight rating of more than 10,000 pounds must pay 80 percent, but not less than \$120.

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## **MAINE**

**Insurance Incentives:** An insurer may credit or refund any portion of the premium charged for an insurance policy on a clean fuel vehicle as long as insurance premiums on other vehicles are not increased to fund these credits or refunds.

**Alternative Fuel Tax:** [Special tax rates](#) are available for certain alternative fuels. CNG is taxed at a rate of \$0.243 per 100 cubic feet, LNG is taxed at a rate of \$0.178 per gallon, hydrogen at a rate of \$0.07 per 100 cubic feet and hydrogen CNG at a rate of \$0.208 per 100 cubic feet.

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## **MARYLAND**

**Alternative Fuel Vehicle Voucher Program:** The Maryland Energy Administration provides provides [vouchers for the purchase of new and converted alternative fuel vehicles](#). Vehicles must be used by commercial, non-profit, or public entities. Voucher amounts are up to 50 percent of the vehicle's incremental cost and based on gross vehicle weight rating.

**Natural Gas Infrastructure Grant:** The Maryland Energy Administration offers funding for businesses to develop public [natural gas refueling infrastructure](#). Applications are currently due by January 12, 2015.

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## **MASSACHUSETTS**

**Alternative Fuel Vehicle and Infrastructure Grants:** The Department of Energy Resources' [Clean Vehicle Project](#) offers grant for public and private fleets to purchase alternative fuel vehicles, infrastructure, and idle reduction technology.

**Alternative Fuel Vehicle Acquisition:** Newly purchased motor vehicles must be hybrid electric or alternative fuel vehicles acquired at a rate of at least 5 percent annually.

**Compressed Natural Gas Deregulation:** The sale of CNG by a fueling station is deregulated, but separate sale records must be maintained.

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## **MICHIGAN**

**Alternative Fuel Vehicle Emissions Inspection Exemption:** Dedicated alternative fuel vehicles are exempt from emissions inspection requirements.

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## **MINNESOTA**

**Alternative Fuel Vehicle Acquisition:** [S.F. 2887](#) provides that when reasonably possible, state agencies must purchase alternative fuel vehicles, including natural gas vehicles.

**Alternative Fuel Tax:** The Minnesota Department of Revenue imposes an excise tax on certain alternative fuels. CNG is currently taxed at \$2.474 per thousand cubic feet, LNG is taxed at \$0.171 per gallon and propane is taxed at \$0.2135 per gallon.

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## **MISSISSIPPI**

**Alternative Fuel Vehicle Revolving Loan Program:** The [Alternative Fuel School Bus and Municipal Motor Vehicle Revolving Loan Program](#) provides zero-interest loans to cover 100 percent of the incremental cost to purchase alternative fuel school buses, convert conventional school buses purchase alternative fuel equipment or install fueling stations.

**Compressed Natural Gas Deregulation:** The sale, transmission and distribution of CNG is deregulated when used as a motor vehicle fuel.

**Natural Gas Tax:** [H.B. 1590](#), enacted in 2014, requires operators using CNG or LNG must pay an annual flat rate privilege tax if the gross vehicle weight rating is 10,000 pounds or less. Vehicles weighing more than 10,000 are subject to privilege taxes charged per hundred cubic feet.

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## **MISSOURI**

**Infrastructure Tax Credit:** [S.B. 729](#), enacted in 2014, provides an income tax credit of 20 percent of the costs associated with constructing a qualified alternative fueling station. The credit is available for tax years beginning January 1, 2015 and it provides up to \$15,000 for individuals and \$20,000 for businesses.

**Alternative Fuel Vehicle Acquisition:** A state agencies with a vehicle fleet of 15 or more vehicles must purchase at least 50 percent alternative fuel vehicles for all new purchases. Additionally, 30 percent of the fuel purchases annually must be alternative fuels.

**Emissions Inspection Exemption:** Qualified vehicles are exempt from state emissions inspection requirements.

**Alternative Fuel Tax Exemption:** [H.B. 2141](#), enacted in 2014, provides that owners of alternative fuel vehicles are exempt from the state motor fuel tax through Dec. 31, 2015. However, owners must pay an annual alternative fuel decal fee based on the gross vehicle weight rating. The decal fee for 18,000 pounds or less is \$75; 18,000 to 36,0000 pounds is \$100.

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## **MONTANA**

**Alternative Fuel Vehicle Conversion Tax Credit:** An income tax credit of up to 50 percent is available for the equipment and labor costs for converting vehicles. The maximum credit is \$500 for vehicles with a gross vehicle weight rating of 10,000 pounds or less and \$1,000 for vehicles with a weight rating greater than 10,000.

**Compressed Natural Gas Tax:** Retail sales for CNG are subject to a modified tax.

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## **NEBRASKA**

**Alternative Fuel Vehicle Loans:** [The Dollar and Energy Saving Loans Program](#) provides low-cost loans for alternative fuel projects, with a maximum amount of \$750,000 per borrower and the interest rate of less than 5 percent.

**Alternative Fuel Tax Refund:** The state Department of Revenue provides tax refunds paid on CNG, LNG and propane if the fuel is used to operate buses carrying seven or more passengers.

**Natural Gas Motor Vehicle Fuel Promotion:** The Natural Gas Fuel Board will provide recommendations and financial incentives for widespread use of natural gas as a motor vehicle fuel.



**Utility Incentive:** Residential gas customers served by the [Metropolitan Utilities District](#) are eligible for a rebate of \$500 for the purchase of a CNG vehicle.

**Alternative Fuel Tax:** An excise tax of \$0.075 per gallon (gasoline gallon equivalent) is imposed on CNG, LNG and propane. Also, each retailer must pay an excise tax of \$0.028 per gallon.

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## **NEVADA**

**HOV Lane Exemption:** Qualified alternative fuel vehicles are eligible for HOV lane access regardless of the number of passengers in the vehicle.

**Alternative Fuel Vehicle Acquisition:** State fleets with more than 50 vehicles operating in a county with a population greater than 100,000 must acquire alternative fuel vehicles.

**Alternative Fuel Tax:** Certain fuels, including CNG and propane, are eligible for a reduced tax rate. CNG is currently taxed at a rate of \$0.21 per gallon.

**Alternative Fuel Vehicle Parking Fee Exemption:** Local authorities must establish a program for alternative fuel vehicles to park in public metered parking without paying a fee. Alternative fuel vehicles must purchase a decal, which may not exceed \$10 per year.

**Inspection Exemption:** Alternative fuel vehicles are exempt from Nevada's emissions testing requirements.

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## **NEW HAMPSHIRE**

**Alternative Fuels Tax:** [H.B. 1142](#), enacted in 2014, provides that alternative fuel vehicles are subject to a \$0.18 per gallon equivalent road tax beginning Jan. 1, 2015.

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## **NEW JERSEY**

**Vehicle Toll Incentive:** [The New Jersey Turnpike Authority](#) offers a 10 percent discount from off-peak toll rates on the New Jersey Turnpike and Garden State Parkway through NJ EZ-Pass for drivers of vehicles that have a fuel economy of 45 miles per gallon or higher and meet the California Super Ultra Low Emission Vehicle standard. The discount will expire Nov. 30, 2018.

**Natural Gas Vehicle Promotion:** [S. R. 81](#), adopted in 2012, urges automobile manufacturers to commercially develop and sell compressed natural gas vehicles in the state.

**Alternative Fuel Vehicle Acquisition:** Buses purchased by the New Jersey Transit Corporation must be powered by a fuel other than conventional diesel. Qualifying fuels include CNG.

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## **NEW MEXICO**

**Alternative Fuel Vehicle Loans and Acquisition:** Up to \$5 million is provided for state agencies through a revolving loan fund for the purchase of alternative fuel vehicles. The maximum loan per vehicle must not exceed the actual cost of acquiring the vehicle, or \$3,000. Additionally, at least 75 percent of state government and educational institution fleet vehicles purchased must be hybrid electric vehicles, bi-fuel, or dedicated alternative fuel vehicles.

**Alternative Fuels Tax Exemption:** Alternative fuels use for federal, state, or tribal purposes are exempt from the state excise tax.



**Alternative Fuels Tax:** [H.B. 30](#), enacted in 2014, provides that alternative fuels are subject to an excise tax. Effective July 1, 2014, the excise tax on CNG is \$0.133 and LNG is \$0.206 per gallon. In lieu of a per gallon tax, owners with an alternative fuel vehicle that has a gross vehicle weight rating of less than 54,000 pounds may pay an annual tax based upon the weight of the vehicle.

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## **NEW YORK**

**Heavy-Duty Alternative Fuel and Advanced Vehicle Purchase Vouchers:** The [New York Truck Voucher Incentive Program](#) provides vouchers of up to 80 percent of the cost for fleets to purchase of CNG vehicles. As of Oct. 2014, this voucher is not yet available.

**Alternative Fuel Vehicle Recharging Tax Credit:** [S.B. 2609](#) and [A.B. 3009](#), passed in 2013, provide a tax credit for 50 percent of the cost, up to \$5,000, for the purchase and installation of alternative fuel vehicle refueling and electric vehicle recharging property. The credit is available through Dec. 31, 2017.

**Alternative Fuel Tax Exemption:** CNG and hydrogen fuel that is used to operate a motor vehicle engine is exempt from state sales and use taxes.

**Alternative Fuel Vehicle Acquisition:** New light-duty vehicles purchased by state agencies must be alternative fuel vehicles, with several exceptions.

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## **NORTH CAROLINA**

**Alternative Fuel Grants:** The state [Department of Environment and Natural Resources](#) provides grants for the cost of purchasing original equipment manufacturer alternative fuel vehicles, conversions, or idle reduction programs. Applications are due by November 7, 2014.

**Alternative Fuel Vehicle Acquisition:** The state established a goal of at least 75 percent new or replaced government light-duty vehicles with alternative fuel vehicles.

**Alternative Fuel Tax Exemption:** The retail sale, use, storage or consumption of alternative fuels is exempt from state retail sales and use tax.

**Alternative Fuels Tax:** [S.B. 786](#), enacted in 2014, imposes a state motor fuel tax on LNG based on the diesel gallon equivalent and CNG based on the gasoline gallon equivalent.

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## **NORTH DAKOTA**

**Alternative Fuel Tax:** A tax of \$0.04 per gallon is imposed on all special fuel sales, including CNG.

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## **OHIO**

**School Bus Grants:** The state Environmental Protection Agency offers [grants to retrofit school buses](#) operating on diesel fuel.

**Alternative Fuel Grants:** [H.B. 59](#), enacted in 2013, provided grants and loans for up to 80 percent of the cost of purchasing and using alternative fuel and installation of alternative fuel refueling facilities for businesses, nonprofit organizations, public schools and local governments.

**Weight Limit Exemption:** [H.B. 51](#), enacted in 2013, allows CNG vehicles to exceed the gross vehicle weight provisions by up to 2,000 pounds.



**Alternative Fuel Vehicle Acquisition:** All new state agency vehicle purchases must be capable of using an alternative fuel and must use the relevant alternative fuel if it is reasonably priced and available.

**Alternative Fuel Tax:** LNG is taxed based on the gasoline gallon equivalent (6.6 pounds of LNG for one gallon of motor fuel).

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## **OKLAHOMA**

**CNG Fueling Infrastructure:** [H.B. 3028](#), enacted in 2010, provides that it is the intent of the legislature to increase public access of CNG fueling stations located along the interstate highway system. The goal is to have at least one CNG fueling station located every 100 miles in the state by 2015 and increase to every 50 miles by 2025.

**Alternative Fuel Vehicle Tax Credit:** [H.B. 3297](#), enacted in 2014, provides a tax credit for 45 percent of the cost of purchasing an original equipment manufacturer alternative fuel vehicle. The state also provides a tax credit of 10 percent, or up to \$1,500 if the incremental cost cannot be determined. This tax credit is available until Jan. 1, 2020. After which, a tax credit will be available for up to 75 percent of the cost of installing commercial alternative fueling infrastructure.

**Alternative Fuel Vehicle Loans:** The state Department of Commerce offers low-interest loans of 3 percent for the cost of converting private fleets to operate on alternative fuels.

**Natural Gas Vehicle Loans:** The Communication Federal Credit Union ([CFCU](#)) offers loans for the purchase of new or converted CNG vehicles. Additionally, [Allegiance Credit Union](#) will provide loans to customers for CNG vehicle conversions.

**Natural Gas Vehicle Rebate:** Oklahoma Natural Gas ([ONG](#)) offers a rebate of \$1,000 for the purchase of a natural gas vehicle and \$500 for a dual-fuel vehicle. ONG also offers \$1,000 toward the cost of a CNG home fueling station.

**Alternative Fuel Vehicle Tax:** CNG and LNG are subject to a state motor fuel tax of \$0.05 per gasoline gallon equivalent until Jan. 1, 2020, when the tax rate increases to match the rate imposed on diesel fuel.

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## **OREGON**

**Alternative Fueling Infrastructure Tax Credit for Residents:** Through the [Residential Energy Tax Credits](#) program, qualified residents may receive a tax credit for 25 percent of alternative fuel infrastructure project costs, up to \$750.

**Alternative Fueling Infrastructure Tax Credit for Businesses:** Business owners and others may be eligible for a tax credit of 35 percent of eligible costs for qualified alternative fuel infrastructure projects.

**Alternative Fuel Loans:** The [State Energy Loan Program](#) offers low-interest loans for qualified alternative fuel projects.

**Alternative Fuel Vehicle Loans:** [H.B. 4107](#), enacted in 2014, extends the state Department of Energy's revolving loan fund, which provides loans to public agencies and tribes for the cost of alternative fuel vehicles and conversions. Beginning Jan. 1, 2015, private companies will also be eligible for loans. The loan recipient may be responsible for a fee of 0.1 percent of the loan or up to \$2,500 as well as fees to cover the application processing.

**Pollution Control Equipment Exemption:** Dedicated original equipment manufacturer natural gas and electric vehicles are not required to be equipped with a certified pollution control system.



**Alternative Fuel Vehicle Acquisition:** State agencies must purchase alternative fuels vehicles and alternative fuel to operate those vehicles, except when it is not economically or logistically possible to do so.

**Natural Gas License Fee:** H.B. 4131, enacted in 2014, provides that operators using natural or propane to fuel a vehicle must pay an annual special use fuel license fee, beginning July 1, 2015.

**Alternative Fuel Excise Tax:** CNG is subject to the state fuel excise tax at a rate of \$0.30 per 120 cubic feet.

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## **RHODE ISLAND**

**Alternative Fuel Vehicle Acquisition:** At least 75 percent of state motor vehicle acquisitions must be alternative fuel vehicles.

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## **PENNSYLVANIA**

**Natural Gas Vehicle Grants:** The [Natural Gas Vehicle Program](#), administered through the state Department of Environmental Protection provides grants to eligible municipal and commercial fleets for the purchase or conversion of bi-fuel natural gas vehicles with gross vehicle weight ratings over 14,000 pounds. The grants are available for 50 percent of the incremental or conversion cost, up to \$25,000 per vehicle.

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## **SOUTH CAROLINA**

**Alternative Fuel Vehicle Financing:** The [South Carolina SAVES](#) program provides low cost financing for the cost of alternative fuel vehicles, natural gas conversions and fueling infrastructure. Financing is available for 100 percent of the project cost ranging from \$500,000 to \$5 million, but projects must be paid back within 15 years.

**Alternative Fuel Vehicle Revolving Loan Program:** The [South Carolina Development Corporation](#) provides low-interest loans for the cost of alternative fuel vehicles and conversions. The loan covers up to 100 percent of project costs ranging from \$50,000 to \$1 million. The [South Carolina Energy Office](#) also provides low-interest loans for up to 100 percent of project costs ranging from \$25,000 to \$500,000.

**Fuel Cell Vehicle Tax Credit:** Residents claiming the federal Alternative Motor Vehicle Credit are also eligible for a state income tax credit equal to 20 percent of the federal credit. Unused credit may be carried forward and claimed for up to five additional years.

**Alternative School Bus Program:** [H.B. 4701](#), enacted in 2014, provides that the state Department of Education may direct 5 to 10 percent of fiscal year school bus funds to lease or purchase alternative fuel school buses. This program is available through June 2015.

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## **TENNESSEE**

**Natural Gas Station Tax Reduction:** [H. B. 1272](#), enacted in 2013, provides that any public utility, commercial or industrial property certified to fuel natural gas vehicles cannot be valued for property tax purposes at more than 30 percent of its total installed cost.

**Alternative Fuel Vehicle Acquisition:** The state Department of General Services must ensure at least 25 percent of newly purchased passenger motor vehicles are hybrid electric vehicles or natural gas vehicles.

**Compressed Natural Gas Tax:** A \$0.13 per gallon tax is imposed on CNG used for operating motor vehicles on public highways.



## **TEXAS**

**Alternative Fuel Vehicle Acquisition:** State agency fleets with more than 15 vehicles, excluding emergency and law enforcement vehicles must purchase new alternative fuel vehicles, including those operating on natural gas. Covered state agency fleets must consist of at least 50 percent of vehicles operating on alternative fuels and these vehicles must use alternative fuels at least 80 percent of the time.

**Alternative Fuel Vehicle Rebates:** The [Texas Commission on Environmental Quality](#) provides rebates for alternative fuel vehicles, including natural gas vehicles, with a gross vehicle weight rating of 9,600 pounds or less. Rebates are available for up to \$2,500 for the first 2,000 natural gas vehicles.

**Vehicle Replacement Vouchers:** The Texas Commission on Environmental Quality administers the [AirCheckTexas, Drive a Clean Machine](#) program, which provides vouchers of \$3,500 to qualified individuals for the purchase of hybrid, electric or natural gas vehicles.

**Clean Vehicle and Infrastructure Grants:** The [Emissions Reduction Incentive Grants Program](#) provides grants for clean air projects covering heavy-duty vehicles, alternative fuel dispensing infrastructure, idle reduction, electrification infrastructure and alternative fuel use.

**Alternative Fuel Fleet Grants:** The [Texas Clean Fleet Program](#) encourages replacement of diesel vehicles with alternative fuel vehicles or hybrid electric vehicles. Grants are available to eligible entities that operate a fleet of at least 75 vehicles and commit to placing 20 or more into service. This program ends August 31, 2017 and the latest grant application period ended in Oct. 2014.

**Natural Gas Vehicle and Fueling Grant:** The [NGV Grant Program](#) provides grants to replace existing medium-and heavy-duty vehicles with converted natural gas vehicles. The program has \$12.4 million available annually. The [Clean Transportation Triangle Program](#) awards grants to develop a network of natural gas fueling stations. Grant amounts may not exceed \$400,000 for a CNG station, \$400,000 for a LNG station, or \$600,000 for a station providing CNG and LNG.

**Natural Gas Vehicle Rebate:** [Texas Gas Service](#) provides rebates of up to \$2,000 for the purchase of a qualified natural gas vehicle or \$3,000 for a vehicle to be converted to natural gas. A rebate of \$1,000 is available for the purchase of a natural gas forklift. Additionally, residential and commercial fueling infrastructure may be eligible for a rebate of up to \$2,000.

**Natural Gas Tax:** CNG and LNG used in a motor vehicles are taxed at a rate of \$0.15 per gasoline gallon equivalent or diesel gallon equivalent, depending on how the dispenser lists the price.

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## **UTAH**

**HOV Lane Exemption:** Qualified alternative fuel vehicles may use designated HOV lanes regardless of the number of occupants in the vehicle.

**Alternative Fuel Vehicle Acquisition:** [S.B. 99](#), enacted in 2014, requires that by Aug. 30, 2018, at least 50 percent of new light-duty state agency vehicles must be operated by certain alternative fuels, including natural gas.

**Alternative Fuel Vehicle Loans:** [H.B. 61](#), enacted in 2014, creates the [Clean Fuels and Vehicle Technology Grant and Loan Program](#), which provides grants and loans to businesses and government entities to support costs of purchasing or converting vehicles to operate on alternative fuels.



**Alternative Fuel Tax Exemption:** CNG, LNG and propane used to operate motor vehicles are exempt from state fuel taxes.

**Alternative Fuel Vehicle Tax Credit:** [H.B. 74](#), enacted in 2014, provides an [income tax credit](#) of 35 percent of the vehicle purchase price, up to \$2,500 for an original equipment manufacturer CNG vehicle. An income tax credit of 50 percent of the cost, up to \$2,500 is also available to convert a vehicle to natural gas. Beginning Jan. 1, 2015, natural gas vehicles are eligible for an income tax credit of 35 percent of the vehicle purchase price or up to \$1,500. The tax credit expires Dec. 31, 2015.

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## **VERMONT**

**Alternative Fuel Vehicle Acquisition:** The state Department of Buildings and General Services must consider alternative fuel vehicles for state use, with several exceptions.

**Natural Gas Tax:** Natural gas used to propel a motor vehicle is not subject to the state gasoline tax, but is subject to sales and use tax.

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## **VIRGINIA**

**HOV Lane Exemption:** For HOV lanes serving the I-95/I-395 corridor, only registered vehicles displaying Clean Special Fuel license plates issued before July 1, 2006, are exempt from HOV lane requirements. For HOV lanes serving the I-66 corridor, only registered vehicles displaying Clean Special Fuel license plates issued before July 1, 2011, are exempt from HOV lane requirements.

**Alternative Fuel Tax Exemption:** Alternative fuels sold to a government entity or nonprofit or produced by an agricultural operator and used for farm use are exempt from taxes.

**Job Creation Tax Credits:** Qualified employers are eligible for a \$500 [tax credit for each new green job](#) created that offers a salary of at least \$50,000. The credit is available for up to 350 jobs per employer and it is allowed for the first five years that the job is continuously filled. A green job is defined as employment in industries related to renewable or alternative energy. The tax credit expires Jan. 1, 2015. Additionally, businesses involved in alternative fuel vehicle manufacturing and conversions are eligible for a [tax credit](#) of up to \$700 per full-time employee.

**Alternative Fuels Grant or Loans:** The Alternative Fuels Revolving Fund provides loans or grants to municipal, county and commonwealth agencies to support alternative fuel vehicle programs.

**Vehicle Inspection Exemption:** Alternative fuel vehicles, including CNG, propane, hydrogen vehicles, are exempt from emissions testing.

**Alternative Fuel Vehicle Tax Reduction:** Local governments may reduce property taxes paid on alternative fuel vehicles, including those that operate on natural gas.

**Weight Limit Exemption:** [H.B. 341](#), enacted in 2014, allows any motor vehicle equipped with an auxiliary power unit or other idle reduction technology to exceed the weight limit restrictions by up to 550 pounds. Natural gas vehicles may exceed the weight limits by up to 2,000 pounds.

**Alternative Fuel Vehicle Tax:** [Alternative fuels are taxed](#) at a rate of \$0.111 per gasoline gallon equivalent.

**Alternative Fuel Vehicle Fee:** [S.B. 127](#), enacted in 2014, requires that alternative fuel vehicles and all-electric vehicles—hybrid vehicles are excluded—registered in the state pay an annual vehicle license tax of \$64.

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## **WASHINGTON**

**Alternative Fuel Vehicle Tax Exemption:** New alternative fuel vehicles are exempt from state motor vehicle sales and use taxes. This exemption also applies to converted vehicles as long as they are part of a fleet of at least five vehicles and have less than 30,000 miles. The sales tax exemption expires July 1, 2015 and the use tax is not available to vehicles after July 1, 2015. A converted vehicle is exempt from the use tax until it is retired or changes hands.

**Vehicle Inspection Exemption:** Alternative fuel and hybrid electric vehicles are exempt from emissions testing.

**Natural Gas Tax Exemptions:** [S.B. 6440](#), enacted in 2014, provides state and local sales, use, and public utility tax exemptions for CNG and LNG. Natural gas distribution companies are also eligible for an exemption for machinery and equipment used for production to transportation fuels.

**Alternative Fuel Vehicle Acquisition:** State agencies much consider purchasing low carbon fuel vehicles or converting vehicles.

**Alternative Fuel Vehicle Fee:** Instead of paying motor fuel excise taxes, owners of CNG, LNG or propane vehicles are required to pay an annual license fee based on gross vehicle weight rating. The fee for a vehicle with a weight rating of less than 10,000 pounds is \$45 annually. [S.B. 6001](#), enacted in 2014, also requires the state Department of Transportation to submit recommendations to the legislature regarding an annual license fee that more closely represents average fuel consumption based on weight. The recommendations must be submitted by Dec. 1, 2014. The Department must also develop a plan to transition natural gas vehicles from a license fee to the fuel tax by Dec. 1, 2015.

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## **WEST VIRGINIA**

**Alternative Fuel Vehicle Tax Credit:** An income tax is available for the purchase of an original equipment manufacturer natural gas vehicle or conversion to a dedicated or bi-fuel natural gas vehicle. The tax credit is available for 35 percent of the purchase price or 50 percent of the conversion cost, up to \$7,500 for vehicles with a gross vehicle weight rating up to 26,000 pounds. This tax credit expires Dec. 31, 2017.

**Alternative Fueling Infrastructure Tax Credit:** An income tax credit of 50 percent, up to \$250,000 is available for the costs associated with construction or the purchase and installation of alternative fueling infrastructure. The credit allowed is multiplied by 1.25, up to \$312,500 if the infrastructure is accessible for public use. Effective Jan. 1, 2014, the maximum credit is reduced by 20 percent of the total allowable costs associated with the fueling infrastructure. This tax credit expires Dec. 31, 2017.

**Alternative Fuel School Bus Incentive:** The state Department of Education offers a 10 percent reimbursement to any county that uses CNG for school buses operations.

**Alternative Fuel Vehicle Acquisition:** The state Department of Administration may require up to 75 percent of the state's fleet consist of alternative fuel vehicles.

**Alternative Fuels Tax:** Alternative fuels are subject to an excise tax at a rate of \$0.205 per gasoline gallon equivalent.

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## **WISCONSIN**



**Alternative Fuel Tax Refund:** The state offers a fuel tax refund for taxis using alternative fuel as long as the refund is claimed within one year of fuel purchase date and must be a minimum of 100 gallons of alternative fuel.

**Alternative Fuel Tax Exemption:** No county, city, village, town, or other subdivision may collect an excise, license, privilege, or occupational tax on motor vehicle fuel or alternative fuels.

**Alternative Fuel Tax:** A state excise tax is imposed on CNG at a rate of \$0.247 per gasoline gallon equivalent and LNG is taxed at a rate of \$0.197 per gasoline gallon equivalent.

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## **WYOMING**

**Natural Gas Infrastructure Loans:** The [Wyoming Business Council](#) may issue loans to businesses to assist in the installation of a natural gas fueling station. The loan is available for 75 percent of the total project cost, up to \$1 million.

**Natural Gas Vehicle Acquisition:** The Wyoming Department of Administration and Information, University of Washington, community colleges and state agencies must ensure that at least 50 percent of their vehicle purchases are bi-fuel or CNG vehicles, with several exceptions.

**Natural Gas Tax:** CNG used in a motor vehicle is subject to a state motor fuel tax of \$0.24 per gasoline gallon equivalent and LNG is subject to a tax at \$0.24 on a diesel gallon equivalent.