

NOTICE

Department of Revenue

15 MAR 4 PM 1:19

Rates of tax on Aviation Gasoline and Jet Fuel for 2015; Oil Company Franchise Tax Rate for 2015; Alternative Fuels Tax Rates for 2015 - Amendment to 2015 Oil Company Franchise Tax Rate for Liquefied Natural Gas

Under 75 Pa.C.S. § 9002 "Cents-per-gallon equivalent basis," the Secretary of Revenue hereby provides public notice of a change to the oil company franchise tax rate applied to Liquefied Natural Gas (LNG) published at 44 Pa.B. 7799 (December 13, 2014). Accordingly, the amended oil company franchise tax rate shall be imposed upon one liquid gallon of LNG on a gallon-equivalent-basis. This amended rate for LNG shall be effective retroactively to January 1, 2015.

Section III of this document is amended as follows, with ellipses referring to the existing text as it appeared at 44 Pa.B. 7799 and 7800.

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III. Alternative Fuels Tax Rates for 2015

Under 75 Pa. C.S. § 9004(d) the Secretary is required to compute the rate of tax applicable to each alternative fuel on a gallon-equivalent-basis. Under 75 Pa. C.S. § 9002 "gallon-equivalent-basis" is defined as the "amount of any alternative fuel as determined by the Department to contain 114,500 BTU's." The amount determined on a "gallon-equivalent-basis" for each alternative fuel is subject to the oil company franchise tax currently imposed on one gallon of gasoline. The rate of tax on one gallon of gasoline during the period of this notice is 50.5¢ which is equal to the Oil Company Franchise Tax.

The 2015 tax rates for Compressed Natural Gas (CNG) and Hydrogen are calculated by utilizing the unit of measurement referred to as the gasoline gallon equivalent (GGE). A GGE is the amount of alternative fuel it takes to equal the energy content of one liquid gallon of gasoline. A GGE is the most common form of measurement

for gaseous fuels at the retail level. By measuring in GGEs one may make energy and cost comparisons with gasoline.

The Secretary announces that the 2015 tax rates for alternative fuels are as follows:

Alternative Fuel (Liquids)	Rate of Conversion (BTU/Gal of Alternative Fuel)	Tax Rate per Gallon of Alternative Fuel
Ethanol	76,330	\$.338
Methanol	57,250	\$.253
Propane/LPG	84,250	\$.372
E-85	82,056	\$.363
M-85	65,838	\$.292
LNG	75,714	\$.335

Electricity	3,414 BTU/kWh	\$.0152/kWh
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Alternative Fuels under GGE Formula (Gaseous)	GGE Equivalent to One Gallon of Gasoline	Tax Rate per GGE
Compressed Natural Gas (CNG)	1	\$.505
Hydrogen	1	\$.505


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 ACTING SECRETARY OF REVENUE