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Authors: Garofalo and Hornstein

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Analyst: Matt Burress (matt.burress@house.mn)

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This bill reduces the motor fuels tax rate for compressed natural gas (CNG) in the per thousand cubic feet calculation of the rate and sets a gasoline equivalent (i.e., for comparing energy content of CNG to gasoline) in cubic feet. The new rate goes into effect with sales and purchases in fiscal year 2018.

The usual physical state of CNG is gaseous, although it can be super-cooled into a liquid form. CNG is dispensed, and therefore measured, in different ways compared to liquid fuels such as gasoline and diesel, which are measured in gallons.