



**VERNON BARNETT**  
Commissioner

# State of Alabama Department of Revenue

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June 20, 2017

## **NOTICE**

### **ACT 2017-229**

#### **Compressed Natural Gas (CNG) & Liquefied Natural Gas (LNG)**

Effective May 5, 2017, Act 2017-229 levies an excise tax on CNG/LNG products that are used to fuel vehicles that are designed to be operated on the public roads and bridges in Alabama. On October 1, 2018, the excise tax will be \$.08 per gasoline gallon equivalent (GGE) on CNG and \$.08 per diesel gallon equivalent (DGE) on LNG. All public sellers and fleet producers will be required to submit an application for a CNG/LNG license and post a surety bond before a license is issued. The minimum bond amount is \$25,000 or twice the average monthly excise tax liability, whichever is greater. The public sellers and fleet producers will be required to file monthly returns based upon sales or withdrawals of CNG/LNG products for use in on-road vehicles. The return for October 2018 is due no later than November 20, 2018.

Any individual producing and using CNG as a fuel in a personal vehicle used for noncommercial purposes will be required to file an annual application fee of \$100 per CNG vehicle. The application and fee are due no later than January 20 each year for the upcoming calendar year. The first annual application and fee are due January 20, 2019. If a CNG vehicle is acquired or a vehicle is converted to a CNG system, the individual or personal producer is required to file an application and remit the appropriate fee within 20 days from the acquisition or conversion. For vehicles acquired or converted after June 30, the fee is \$50 and after September 30, the fee is \$25.

Additional information will be posted on the Department's website under the Business & License Tax Division.

If you have any questions pertaining to this notice, please contact this office at the address or telephone number shown below.

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