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Commissioner

State of Alabama Department of Revenue

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April 2, 2018

NOTICE

Application for Compressed Natural Gas (CNG) & Liquefied Natural Gas (LNG) License Available on May 1, 2018

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. The return for October 2018 is due no later than November 20, 2018.

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. To obtain a CNG/LNG license, you must submit the Application for a Compressed Natural Gas/Liquefied Natural Gas License (B&L: CLGAP) through My Alabama Taxes (MAT). Once your application is approved, the Department will notify you regarding the bond amount that must be posted before a CNG/LNG license is issued. The minimum bond amount is \$25,000 or twice the average monthly excise tax liability, whichever is greater. Beginning May 1, 2018, you can review the application and bond form on our website at <https://revenue.alabama.gov/forms/>. To insure that your CNG/LNG license is issued timely, we encourage you to submit your application and bond prior to September 1, 2018. The CNG/LNG license will not be effective until October 1, 2018. Additional information will be posted on the Department's website at <https://revenue.alabama.gov/business-license/compressed-natural-gas-cng-liquefied-natural-gas-lng/>.

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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