

103 KAR 43:330. Measurement of compressed natural gas (CNG) and liquefied natural gas (LNG) in gallons.

RELATES TO: KRS 138.210, 138.220, 138.250

STATUTORY AUTHORITY: KRS 131.130(1), 138.226(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations for the administration of all tax laws. KRS 138.226(1) authorizes the department to promulgate administrative regulations necessary to administer gasoline and special fuel taxes. This administrative regulation prescribes the method of measurement of compressed natural gas and liquefied natural gas in gallons as a special fuel.

Section 1. Definitions.

- (1) "Compressed natural gas" means natural gas compressed into high pressure fuel cylinders capable of being used to operate or propel any vehicle on public roadways.
- (2) "Liquefied natural gas" means natural gas that has been converted to liquid form for ease of storage or transport.
- (3) "Special fuels" is defined by KRS 138.210(18).

Section 2. "Special Fuels" shall include compressed natural gas and liquefied natural gas.

Section 3. Conversion Method.

- (1) For purposes of reporting the number of gallons subject to the tax imposed by KRS 138.220 as required by KRS 138.250, every special fuels dealer shall convert compressed natural gas or liquefied natural gas into gallons.
 - (2) The conversion rate for compressed natural gas shall be 5.66 pounds or 126.67 cubic feet of compressed natural gas to one (1) gallon of special fuels.
 - (3) The conversion rate for liquefied natural gas shall be 6.06 pounds of liquefied natural gas to one (1) gallon of special fuels.
- (33 Ky.R. 2823; 3161; eff. 5-4-2007; 40 Ky.R. 2589; 41 Ky.R. 12; eff. 8-1-2014; TAm eff. 6-28-2016; Crt eff. 8-7-2019.)