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MEMORANDUM

To:

All House Members

From:

Representative Seth Grove

196th Legislative District

Representative Marc Gergely 35th Legislative District

Date:

August 10, 2012

Subject:

Proposed Legislation: Natural Gas Vehicle Tax Credit

In the near future, we will be introducing legislation to provide incentives for heavy-duty natural gas trucks. The acceleration of economic and environmental benefits provided by natural gas vehicles (NGVs) is a function of fuel usage. It is the big eighteen wheelers and other big fleets that can justify a rapid deployment of refueling stations and create a national fueling network, a "backbone" if you will, that this country needs to ultimately reach smaller fuel consuming fleets and consumer vehicles.

The average tractor trailer burns 18,000 gallons of diesel fuel per year. By switching to natural gas, a shipping company can save roughly \$27,000 per truck, per year. The incremental cost of the vehicle can be up to \$30,000 and therefore, an upfront investment is required. This legislation would provide Pennsylvania businesses with a huge competitive advantage and lower costs for consumers.

The environmental benefits of natural gas vehicles are immense. Replacing just one diesel trash truck with a natural gas trash truck is the equivalent of removing over 500 cars from the road.

This legislation would create a three year program which would provide a tax credit of \$12,500 per heavy-duty NGV. We need to incubate this new and promising industry and become the model for the rest of the nation.

If you would like to cosponsor this legislation, please contact Lisa Burkholder at 783-2655 or via email at lburkhol@pahousegop.com. Thank you for your consideration.