Effective July 1, 2017, Illinois Public Act 100-9 requires motor fuel distributors to sell liquefied natural gas (LNG) used as motor fuel in Diesel Gallon Equivalents (DGEs). It also requires LNG and propane to be reported and taxed in DGEs.

Although this law coincides with the IFTA ballot requirement to report LNG in DGEs, the law also changes the way propane is reported and taxed in Illinois. This means that jurisdictions will need to convert propane into DGEs on the Illinois line of their tax returns. Illinois is providing a tax rate based on DGEs.

For propane conversion to DGEs, multiply both the number of Illinois taxable gallons and the number of Illinois tax paid gallons by 0.651.

From July 1, 2017, through December 31, 2017, the tax rates are as follows:

- Diesel: 33.4¢ per gallon
- Gasoline: 30.7¢ per gallon
- LPG: 35.3¢ per gallon
- LNG: 33.5¢ per gallon
- CNG: 29.1¢ per gallon

1 For LPG, “gallon” means DGE. If purchased in measured gallon volumetric units instead of DGEs, the conversion ratio used to calculate the LPG rate is one gallon = 0.651 DGEs of LPG.

2 For LNG, “gallon” means DGE. If purchased in measured gallon volumetric units instead of DGEs, the conversion ratio used to calculate the LNG rate is one gallon = 0.5776 DGEs of LNG.

3 For CNG, “gallon” means gasoline gallon equivalent (GGE). P.A. 100-9 defines a GGE as 5.66 pounds of CNG.

For further information, see Informational Bulletin FY 2017-15, available on our website at tax.illinois.gov.

Best regards,

Trent Knoles
Illinois IFTA Commissioner