
State Incentives for Light-Duty Natural Gas Vehicles

A growing number of light-duty fleets across America are converting to natural gas vehicles (NGVs) due to potential fuel cost savings and lower emissions. And, because driving on natural gas also benefits the economy and the environment, many states and cities are offering incentives to encourage drivers to make the switch by lowering vehicle costs.

These incentives include tax credits, grants, and rebates to reduce up-front costs, as well as low- or no-interest loans to reduce the cost of financing NGV purchases. With 23 states offering one or more of these types of incentives, there's a good chance your state is a part of the push for light-duty NGVs.

The summaries below can help you identify what types of incentives are available in your state, and descriptions of all the relevant incentives for each state are listed in the following section. **Call VNG to learn more at 610-709-5500.**

***Please note** that these summaries are only intended to provide general information on incentives in each state as of December 2015. The ability of your fleet to take advantage of a given incentive may be affected by solicitation schedules, available funding, various eligibility requirements, or other factors. In particular, while most incentives are available to both public and private entities, in some cases these programs are limited to public fleets.*

Summary of Light-Duty NGV Incentives

Incentive	States	Description
Tax Credits	7	Tax credits ranging from \$500 to \$12,000 per vehicle
Grants or Rebates	15	Grants or rebates ranging from \$1,000 to \$25,000 per vehicle; funding may be awarded on a first-come, first-serve basis <i>or</i> on a competitive basis
Loan Programs	9	Loan financing at interest rates of 0% to 5%



Summary of Light-Duty NGV Incentives by State

State	Tax Credit	Rebate/Grant	Loan	Incentive Value (Per Vehicle Unless Noted)
<u>Alabama</u>				Below-market rate loan financing for CNG fleet conversions up to \$4 million
<u>Arkansas</u>				50% of incremental costs, up to \$4,500
<u>California</u>				\$1,000 (<8,501 lbs) or \$6,000 (8,501-14,000 lbs)
<u>Colorado</u>				12.25% of total vehicle costs, up to \$6,000 per vehicle
<u>Connecticut</u>				Unspecified funding for public fleet NGVs <i>only</i>
<u>Delaware</u>				Rebates of \$1,100
<u>Florida</u>				50% of incremental costs, up to \$25,000
<u>Georgia</u>				Tax credit up to \$12,000 for 8,501+ lbs vehicles only
<u>Illinois</u>				80% of incremental costs, up to \$10,000 (Chicago taxis only)
<u>Indiana</u>				Up to \$150,000 per fleet conversion project (max for all vehicles purchased)
<u>Louisiana</u>				36% of incremental cost tax credits, 2% interest loans
<u>Maryland</u>				\$3,000 (<8,501 lbs) or \$5,000 (8,501-14,000 lbs)
<u>Mississippi</u>				Zero-interest loans for municipal vehicle NGV fleets only
<u>Montana</u>				50% of conversion costs, up to \$500
<u>Nebraska</u>				5% interest loans, \$4,500 grants
<u>Oklahoma</u>				Tax credits of 45% of incremental costs, Low- or zero-interest loans
<u>Oregon</u>				Low-interest loans (terms not specified)
<u>Pennsylvania</u>				50% of incremental costs, up to \$25,000
<u>South Carolina</u>				Low-interest loans up to 100% of costs, from \$50,000-\$5 million; grants for state agencies
<u>Texas</u>				Grants up to 90% of total costs for 8,501+ lbs or diesel-fueled only
<u>Utah</u>				Tax credits of 35% of total cost up to \$1,500, grants of 50% incremental costs
<u>Virginia</u>				Grants up to \$10,000 per vehicle and loans for public fleets <i>only</i>
<u>West Virginia</u>				35% of new vehicle purchase price or 50% of conversion costs, up to \$7,500

List of State NGV Incentives

State	Incentive	Description
Alabama		
AL Alabama	AlabamaSAVES	Provides subsidized, below-market rate loan financing for CNG fleet conversions as well as infrastructure. Project costs may range from \$50,000 to \$4 million and must demonstrate a 10-year payback period to be eligible.
AL Alabama	Local Government Energy Loan Program	Low-interest loans are available for the full incremental cost or conversion cost of NGV fleets for local governments and public education institutions. Both bi-fuel and dedicated NGVs are eligible. Loans must be at least \$50,000, up to a maximum of \$350,000 for governments and colleges and up to \$500,000 for K-12 school systems.
Arkansas		
AR Arkansas	Gaseous Fuels Rebate Program	Rebates of 50% of incremental costs, up to \$4,500, are available for purchases of NGVs by public or private fleets. Fleets may receive rebates for up to 5 vehicles; leasing companies are <i>not</i> eligible. This program is currently closed.
California		
CA California	Natural Gas Vehicle Incentive Program	Dedicated NGVs are eligible for rebates of \$1,000 for vehicles weighing up to 8,500 lbs and \$6,000 for vehicles weighing 8,501-16,000 lbs. Up to 30 vehicles are eligible per fleet at a time. All currently-available funding has been reserved; however, fleets may still apply to reserve funding in future rounds.
CA California	Fontana, CA - Alternative Fuel Vehicle Rebate Program	Fontana residents purchasing a new dedicated CNG vehicle from a Fontana dealership are eligible for a rebate of \$500.

<p>CA California</p>	<p>SJVAPCD Drive Clean! Rebate Program</p>	<p>The San Joaquin Valley Air Pollution Control District provides incentives of up to \$2,000 for dedicated CNG vehicles. The program is currently accepting applications.</p>
<p>CA California</p>	<p>San Joaquin Valley Air Pollution Control District Public Benefit Grant Program</p>	<p>Provides funding to cities, counties, districts, and public educational institutions for the purchase of new AFVs (including CNG vehicles). Projects must have access to refueling infrastructure by the time vehicles are purchased, and vehicles must spend 75% of total miles traveled within SJVAPCD. Maximum vehicle grants are \$20,000 per vehicle, and \$100,000 per agency per year. The program is accepting applications.</p>
Colorado		
<p>CO Colorado</p>	<p>Innovative Motor Vehicle Income Tax Credit</p>	<p>Bi-fuel or dedicated NGV light trucks and passenger vehicles up to 14,000 lbs are eligible for a tax credit equal to 12.25% of total costs or 25% of conversion costs, up to \$6,000. The tax credit is refundable.</p>
Connecticut		
<p>CT Connecticut</p>	<p>Clean Fuels Program</p>	<p>The Clean Fuels Program provides funding to municipalities and public agencies to purchase, operate, and maintain alt fuel vehicles, including CNG vehicles.</p>
Delaware		
<p>DE Delaware</p>	<p>Clean Vehicle Rebate Program</p>	<p>Dedicated light-duty and medium-duty (<26,000 lbs) CNG vehicles are eligible for a \$1,100 rebate. Rebates are limited to 5 per fleet or 1 per individual. Both purchased and leased vehicles are eligible, with a minimum 36 month lease. This program is open to applications through December 31, 2016.</p>
Florida		
<p>FL Florida</p>	<p>Natural Gas Fuel Fleet Program</p>	<p>Fleets purchasing or leasing 3 or more NGVs of any weight class in Florida are eligible for rebates of 50% of incremental costs, up to \$25,000 per vehicle and \$250,000 per applicant per year. The program is currently open to applicants.</p>

Georgia		
GA	Income Tax Credit for Alternative Fuel Commercial Vehicles	An income tax credit of up to \$12,000 per vehicle is available for dedicated medium-duty (8,501-26,000 lbs) alternative fuel vehicles, including CNG vehicles. The tax credit is available for vehicles purchased between July 1, 2015 and June 30, 2017. Vehicles must drive at least 75% of their miles in Georgia and must be registered in the state for at least 5 years. The credits are limited to \$250,000 per taxpayer and \$2.5 million statewide per fiscal year.
Illinois		
IL Illinois	Illinois Alternative Fuel Rebate Program	For a new alternate fuel vehicle, the amount of the rebate is 80% of the incremental cost of the alternate fuel vehicle versus its conventional counterpart up to \$4,000. The rebate is limited to 300 vehicles per company and 150 vehicles per location over the life of the program. Program funding is suspended indefinitely.
IL Illinois	Drive Clean Taxi Program	Taxi operators may receive grants of 80% of incremental or conversion costs up to \$10,000 for the purchase of dedicated or bi-fuel CNG taxis. Purchasers must submit voucher requests via dealers before December 31, 2015.
Indiana		
IN Indiana	Community Conservation Challenge	AFV fleets are among a wide range of energy projects that can compete for grant funds for community energy conservation projects. The program is open to public or private fleets, but private projects should include community partnerships. Grants may range from \$25,000 to \$150,000 per project. This program is currently closed.
Louisiana		
LA Louisiana	Tax Credit for Conversion of Vehicles to Alternative Fuel Usage	Louisiana offers an income tax credit of 36% of the cost of converting vehicles to operate on an alternative fuel or purchasing OEM AFVs. Alternatively, a taxpayer may take a tax credit of 7.2% of the cost of the motor vehicle, up to \$1,500.

<p>LA Louisiana</p>	<p>Louisiana Revolving Loan Fund Program</p>	<p>The Louisiana Revolving Loan Fund Program offers competitively-awarded low-interest loans to energy efficiency, alternative fuels, and renewable energy projects. Eligible projects include CNG refueling infrastructure as well as the incremental cost of CNG vehicles, and both public and private entities may apply. Awarded loans have a fixed interest rate of 2% and a term of up to 10 years. Applications are open for the current round through January 11, 2016.</p>
Maryland		
<p>MD Maryland</p>	<p>Freedom Fleet Voucher Program</p>	<p>Vouchers for the purchase or lease of NGVs by commercial entities, non-profits, and government fleets. Vouchers can cover up to 50% of incremental costs, up to a maximum of \$3,000 per vehicle of up to 8,500 lbs and \$5,000 for vehicles weighing 8,501-14,000 lbs. A given entity may only receive up to \$200,000 in total. This program is accepting applications on a first-come, first-served basis through May 8, 2016.</p>
Mississippi		
<p>MS Mississippi</p>	<p>Alternative Fuel School Bus and Municipal Motor Vehicle Revolving Fund</p>	<p>Zero-interest loans for public school districts and municipalities to purchase alternative fuel vehicles. Loans can be used to cover the incremental cost of AFVs, with a maximum loan of \$300,000 and a maximum term of 7 years. Applications will be accepted through 2017.</p>
Montana		
<p>MT Montana</p>	<p>Alternative Fuel Vehicle Conversion Tax Credit</p>	<p>Montana offers a tax credit of up to 50% of the costs of converting vehicles to operate using alternative fuels, up to \$500 for vehicles weighing 10,000 lbs or less.</p>
Nebraska		
<p>NE Nebraska</p>	<p>Dollar and Energy Saving Loan Program - Alternative Fuel Vehicle and Fueling Infrastructure Loans</p>	<p>Low-cost loans are available for a variety of alternative fuel projects, including the purchase of new AFVs (dedicated only), the conversion of conventional vehicles to operate on alternative fuels, and the construction of a fueling station or equipment. The maximum loan amount is \$750,000 per borrower, and the interest rate is 5% or less.</p>

<p>NE Nebraska</p>	<p>Clean-Burning Motor Fuel Development Fund</p>	<p>Provides rebates for NGV conversions as well as new OEM NGVs, worth 50% of incremental costs up to a maximum of \$4,500. Guidelines are currently under development.</p>
Oklahoma		
<p>OK Oklahoma</p>	<p>Alternative Fuel Vehicle Tax Credit</p>	<p>A one-time income tax credit is available for 45% of the incremental cost of purchasing a new OEM AFV (dedicated or bi-fuel) or converting a vehicle to operate on an alternative fuel. If the incremental cost cannot be determined, the tax credit is 10% of the total vehicle cost, up to \$1,500. The tax credit expires in 2020.</p>
<p>OK Oklahoma</p>	<p>Alternative Fuel Vehicle Loans</p>	<p>Oklahoma has a private loan program with a 3% interest rate for the cost of private fleets to operate at least 3 vehicles on alternative fuels. The repayment of the loan has a maximum six-year period.</p>
<p>OK Oklahoma</p>	<p>Emergency and Transportation Revolving Fund</p>	<p>Provides no-interest loans of up to 5 years for the purchase of CNG vehicles for county transportation and/or emergency projects.</p>
<p>OK Oklahoma</p>	<p>Association of Central Oklahoma Governments Clean Air Grants for Public Sector Fleets</p>	<p>Public entities in the Association of Central Oklahoma Governments are eligible for grants of up to 80% of incremental costs for alternative fuel conversion projects that reduce smog-forming emissions. This program is currently closed.</p>
Oregon		
<p>OR Oregon</p>	<p>Alternative Fuel Vehicle Revolving Fund</p>	<p>The Oregon Department of Energy administers the State Energy Loan Program (SELP), which offers low-interest loans for qualified public and private sector alternative fuel projects. Eligible projects include fueling infrastructure and fleet vehicles.</p>
Pennsylvania		
<p>PA Pennsylvania</p>	<p>Alternative Fuel Vehicle Rebate</p>	<p>Commonwealth resident purchasing NGVs are eligible for a \$1,000 rebate. The program is currently accepting applications.</p>

<p>PA Pennsylvania</p>	<p>Alternative Fuel Incentive Grants</p>	<p>The AFIG program provides a range of grants to support alternative fuels development in the state. AFIG is currently offering competitive grants of up to 50% of incremental costs for fleets purchasing dedicated or bi-fuel NGVs weighing up to 26,000 lbs. Individual applicants may receive a maximum of \$250,000 in funding. The program is currently closed.</p>
<p>South Carolina</p>		
<p>SC South Carolina</p>	<p>SouthCarolinaSAVES Green Community Program</p>	<p>The SouthCarolinaSAVES Green Community Program offers low-cost financing to both government and commercial entities for a wide range of alternative energy and conservation measures, including NGVs and refueling infrastructure. Financing is available for up to 100% of project costs for projects ranging from \$500,000 to \$5 million, so long as project payback is 15 years or less.</p>
<p>SC South Carolina</p>	<p>ConserFund</p>	<p>The ConserFund program offers low-interest loans to public entities and non-profits for a range of energy improvements, including AFV projects. Loans may cover up to 100% of costs and can range from \$25,000 to \$500,000. State agencies and educational institutions may apply for grants of up to 30% of costs in addition to loans for the remaining 70%.</p>
<p>SC South Carolina</p>	<p>Energy Efficiency Revolving Loans</p>	<p>Low-interest loans are available from the South Carolina Business Development Corporation for a wide range of energy savings projects, including alternative fuel vehicle projects. Loans may cover up to 100% of project costs for projects ranging from \$50,000 to \$1 million.</p>
<p>Texas</p>		
<p>TX Texas</p>	<p>Alternative Fuel Vehicle Grant Program</p>	<p>Public entities (including cities, counties, and school districts) are eligible for grants up to 80% of incremental costs of alternative fuel or hybrid vehicles. The maximum grant per vehicle is \$5,000, and the maximum total grant per applicant is \$50,000. This program is currently closed.</p>

<p>TX Texas</p>	<p>Texas Natural Gas Vehicle Grant Program</p>	<p>TNGVGP works with dealerships to offer grants to reduce NGV incremental costs. Grants will cover up to 90% of vehicle incremental costs for dedicated NGVs <i>only</i>, and only for vehicles weighing at least 8,501 lbs that reduce NOx emissions by at least 25%. The program is currently closed.</p>
<p>TX Texas</p>	<p>Texas Clean Fleet Program</p>	<p>The Texas Clean Fleet Program (TCFP) provides grants for owners of fleets of 75 or more vehicles to replace at least 20 diesel-fueled vehicles with hybrid or alternative fuel vehicles, including both dedicated and bi-fuel NGVs. Grants may cover up to 80% of total costs, as determined by TCEQ. Vehicles must reduce NOx emissions by at least 25%. The program is currently closed.</p>
<p>TX Texas</p>	<p>AirCheckTexas Drive A Clean Machine program - Clean Vehicle Replacement Vouchers</p>	<p>Program provides vehicle replacement assistance for qualified individuals owning vehicles registered in participating counties. Vouchers in the amount of \$3,500 are available toward the purchase of a natural gas vehicle. Applicants must be below specified annual income thresholds.</p>
<p>TX Texas</p>	<p>Clean Vehicle Program - Houston-Galveston</p>	<p>The Greater Houston Clean Cities Coalition provides grants for a wide range of clean vehicles, including new or converted CNG vehicles. Grants for light-duty vehicles typically range from \$1,000 to \$10,000 per vehicle. 75% of vehicle usage must be in the Houston-Galveston region. Applications are accepted on a rolling basis.</p>
Utah		
<p>UT Utah</p>	<p>Clean Fuel Vehicle Tax Credit</p>	<p>Utah provides an income tax credit of 35% of the vehicle <u>purchase</u> price or \$1,500, whichever is less, for an OEM CNG vehicle (bi-fuel or dedicated) registered in Utah. The state also provides a credit of 50% of the cost of converting a vehicle to operate using a clean fuel (including propane, natural gas, or electricity), up to \$1,500 per vehicle. Lessees of vehicles are eligible to receive prorated tax credits based on the vehicle's change in value over the lease.</p>

<p>UT Utah</p>	<p>Clean Fuel Vehicle Grant and Loan Program</p>	<p>This program provides grants and loans to assist businesses and government entities in covering the incremental cost of purchasing OEM clean fuel vehicles or conversions, including bi-fuels (minus any tax credits). Grants may be for up to 50% of incremental costs, and loans may cover up to 100% of incremental costs. Up to 100 vehicles may be converted per project, up to a maximum grant of \$100,000. The program is currently closed.</p>
<p>Virginia</p>		
<p>VA Virginia</p>	<p>Alternative Fuel Vehicle Conversion Fund</p>	<p>The AFV Conversion Fund assists commonwealth agencies to pay for up to 100% of the incremental costs of both OEM and converted AFVs. Funding may be in a grant or a loan, with terms up to 4 years.</p>
<p>West Virginia</p>		
<p>WV West Virginia</p>	<p>Alternative Fuel Vehicle Tax Credit</p>	<p>An income tax credit is available to eligible taxpayers who convert a vehicle to operate exclusively on an alternative fuel or purchase a new OEM dedicated or bi-fuel AFV. The value of the tax credit is 35% of the vehicle <u>purchase</u> price or 50% of the vehicle conversion cost, up to \$7,500.</p>