

SENATE BILL NO. 478—COMMITTEE ON TAXATION

MARCH 23, 2001

Referred to Committee on Transportation

SUMMARY—Exempts clean-burning fuel from tax on special fuels. (BDR 32-137)

FISCAL NOTE: Effect on Local Government: Yes.  
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to motor vehicles; exempting clean-burning fuel from the tax on special fuels; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1     **Section 1.** NRS 365.060 is hereby amended to read as follows:  
2     365.060 “Motor vehicle fuel” means gasoline, natural gasoline, casing-  
3     head gasoline or any other inflammable or combustible liquid, regardless  
4     of the name by which the liquid is known or sold, the chief use of which in  
5     this state is for the propulsion of motor vehicles, motorboats or aircraft  
6     other than jet or turbine-powered aircraft. The term does not include  
7     kerosene, gas oil, fuel oil, fuel for jet or turbine-powered aircraft, diesel  
8     fuel, liquefied petroleum gas , ~~and~~ an emulsion of water-phased  
9     hydrocarbon fuel, as that term is defined in NRS 366.026 ~~H~~ *or clean-*  
10    *burning fuel, as that term is defined in section 3 of this act.*  
11    **Sec. 2.** Chapter 366 of NRS is hereby amended by adding thereto the  
12    provisions set forth as sections 3 and 4 of this act.  
13    **Sec. 3. 1. “Clean-burning fuel” means any fuel that:**  
14    *(a) Is designed to be used in a motor vehicle;*  
15    *(b) Is not substantially gasoline or diesel fuel; and*  
16    *(c) Is likely to yield substantial environmental benefits.*  
17    **2. The term includes, without limitation:**  
18    *(a) Methanol, denatured ethanol and other alcohols;*  
19    *(b) Mixtures containing not less than 85 percent by volume of*  
20    *methanol, denatured ethanol or other alcohols with gasoline or other*  
21    *fuels;*  
22    *(c) Natural gas;*  
23    *(d) Liquefied petroleum gas;*  
24    *(e) Hydrogen;*



\* S B 4 7 8 R 1 \*

1     (f) *Coal-derived liquid fuels;*  
2     (g) *Fuels, other than alcohol, that are derived from biological*  
3     *materials; and*  
4     (h) *Electricity, including, without limitation, electricity derived from*  
5     *solar energy.*  
6     **Sec. 4.** *The tax imposed by NRS 366.190 does not apply to the sale*  
7     *or use of clean-burning fuel for motor vehicles that use such fuel.*  
8     **Sec. 5.** NRS 366.020 is hereby amended to read as follows:  
9     366.020 As used in this chapter, unless the context otherwise requires,  
10    the words and terms defined in NRS 366.025 to 366.100, inclusive, *and*  
11    *section 3 of this act* have the meanings ascribed to them in those sections.  
12    **Sec. 6.** NRS 366.060 is hereby amended to read as follows:  
13    366.060 *1.* "Special fuel" means ~~any~~ *:*  
14    *(a) Any* combustible gas or liquid used for the generation of power for  
15    the propulsion of motor vehicles, including an emulsion of water-phased  
16    hydrocarbon fuel ~~H~~ *; or*  
17    *(b) Clean-burning fuel.*  
18    *2.* The term does not include motor vehicle fuel as defined in chapter  
19    365 of NRS.

