

Indiana Fuel Tax Rate Increase Will Take Effect July 1, 2017

The Indiana Department of Revenue has confirmed that fuel tax increases enacted by the legislature at the end of April **will** occur as enacted on July 1, 2017. Previously there had been some discussion about deferring the implementation of the new rates, particularly as concerns the motor carrier fuel surcharge on special fuel which will now be collected at the terminal rack. Effective July 1, 2017, Indiana's fuel tax on gasoline will increase to \$0.28 per gallon and on diesel will increase to \$0.26 per gallon. In addition, the motor carrier surcharge will now be collected on special fuel (which includes diesel and CNG) when it is removed from the terminal at the rack. The rate is \$0.21 per gallon and it is not subject to the collection allowance or deferrals. The effective rate for diesel will therefore be \$0.47 per gallon which represents a \$0.31 per gallon increase. These rates will be adjusted annually.

Taxpayers with fuel in non-terminal storage as of June 30, 2017 are required to file a Fuel Inventory Report and remit floor stocks tax accordingly. The floor stocks tax on gasoline is \$0.10 per gallon and the floor stocks tax on special fuel is \$0.31 per gallon. Inventory reports and remittances are due by July 31, 2017. All taxpayers should have received a copy of this form along with a notice from the State.