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STATE TAX CHANGES FOR 2016*

ALABAMA

Effective October 1, 2016, Alabama's Agricultural Inspection Fee will be added to the gasoline tax, bringing the tax rate to \$0.18 per gallon. The Department of Revenue will update the Terminal Excise Tax return to reflect the rate change for the gasoline excise tax. The Department of Revenue will issue a new tax return to report the inspection fee on dyed diesel fuel, dyed kerosene, and lubricating oil. The new return will allow a supplier or permissive supplier that is selling gasoline or undyed diesel fuel directly to a licensed exempt entity other than the federal government to remit the inspection fee on the new inspection fee return. The inspection fee rates are \$.02 per gallon for dyed diesel fuel, \$.01 per gallon for dyed kerosene, and \$.15 per gallon for lubricating oil. The inspection fee will be due upon the first sale in Alabama, upon import, or upon sale to a person or entity that is not a bonded distributor and permitted with the Department of Revenue. Entities holding gasoline in inventory outside the bulk terminal system will be required to submit a floor stocks tax return and remit a \$.02 per gallon inspection fee to the Alabama Department of Revenue on or before December 31, 2016 for the gallons of gasoline remaining in bulk inventory as of September 30, 2016.

CALIFORNIA

Effective January 1, 2016 a licensed diesel fuel supplier may claim a refund or credit of state motor fuel excise tax paid on the biodiesel portion of any dyed biodiesel blend that he removes from the terminal at the rack. The supplier must be able to show that he previously remitted tax on the biodiesel. A credit may be claimed on the monthly diesel fuel tax return to the extent of the tax paid on the biodiesel portion of the blend removed. Guidance may be found at: <http://www.boe.ca.gov/pdf/l444.pdf>

FLORIDA

Effective January 1, 2016, the Florida statewide tax rates on motor fuel (gasoline) and diesel fuel will remain \$0.173 per gallon. The state tax rate on aviation fuel also remains at \$0.069 per gallon. In addition, the minimum local option fuel tax on each gallon of motor fuel sold to licensed wholesalers is unchanged at \$0.111 per gallon; the \$0.00125 per-gallon inspection fee is also unchanged. The total statewide fuel tax for 2016 (exclusive of local option taxes above the minimum) will be \$0.28525 per gallon for gasoline and \$ 0.317 per gallon for diesel.

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With respect to county motor fuel tax rates, the gasoline rate differs by county and can be found on the attached chart. The county tax rate for diesel is uniform and is increased from \$0.143 per gallon to \$0.144 per gallon. Terminal suppliers must collect a **minimum local option fuel tax in the amount of \$0.111 per gallon and an inspection fee of \$0.00125 per gallon** on each gallon of motor fuel sold to licensed wholesalers. Wholesalers must remit to the Florida Department of Revenue the county tax rate above the minimum \$0.111 per gallon local option fuel tax on motor fuel sold to retail dealers or end-users.

The pollutants tax remains the same at \$0.87 per barrel.

Full details of the rate changes can be found at: http://dor.myflorida.com/dor/tips/pdf/15b05-02_chart.pdf

GEORGIA

The prepaid local tax average retail sales prices to be collected by motor fuel distributors selling motor fuel to unlicensed entities has been set at the following rates for the period January 1, 2016 – June 30, 2016

https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/LATP/Policy%20Bulletin/Bulletin%20-%20Prepaid%20Local%20Tax%20-%20January%202016.pdf

Fuel Type	Average Retail Sales Price
Gasoline	\$1.784 per gallon
Diesel	\$2.011 per gallon
Aviation Gasoline	\$3.000 per gallon
LPG	\$1.954 per gallon
Special Fuel	\$1.717 per gallon

ILLINOIS

Illinois has set its prepaid sales tax on motor fuel at \$0.13 per gallon for gasoline and other motor fuels such as diesel and at \$0.10 per gallons for gasohol and biodiesel (blends between 1% and 10%). These rates are for the period January 1, 2016 – June 30, 2016.

Additionally, effective January 1, 2016 all motor fuel distributors, supplier and receivers must file their motor fuel tax returns and remit payment of taxes via the state’s electronic filing system MyTaxIllinois (payments may also be made via ACH). Tax returns that are not filed electronically will be treated as not filed with the resulting loss of any collection allowances. More information is available at: <http://www.revenue.state.il.us/Publications/Bulletins/2016/FY-2016-06.pdf>

LOUISIANA

Effective January 1, 2016, Louisiana will change the way it collects fuel tax on sales of compressed natural gas (CNG), liquefied natural gas (LNG) and liquefied petroleum gas (LPG). Rather than being collected via a

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decal, it will be added to the price of the fuel dispensed from a retail or storage facility and will be remitted by the retail dealer or special fuels fleet dealer. The tax levied on CNG and LNG is an aggregate rate of \$0.20 per gallon. The tax levied on LPG is \$0.0146 per gallon, which is the energy equivalent rate equal to seventy three percent (73%) of the state tax per gallon on gasoline and diesel fuel.

MARYLAND

Maryland has set its sale tax equivalent rates at \$0.08 per gallon bringing the total motor fuel and sales tax equivalent combined rates for the period January 1, 2016 – June 30, 2016 to \$0.326 for gasoline and LPGs, and to \$0.3335 for diesel and special fuels.

MASSACHUSETTS

Massachusetts has set its tax rates for the period January 1, 2016 – March 31, 2016 as follows:

Fuel Type	Tax Rate
Gasoline	\$0.24 per gallon
Diesel	\$0.24 per gallon
Aviation Gasoline	\$0.075 per gallon
LPG and Propane	\$0.191 per gallon
Jet Fuel	\$0.082 per gallon

MICHIGAN

Effective January 1, 2016, Michigan’s prepaid sales tax on gasoline will be \$0.11 per gallon and on diesel will be \$0.146 per gallon. These rates are adjusted monthly.

MISSOURI

Effective January 1, 2016, Missouri will set a graduated tax rate for compressed natural gas (CNG) and liquefied natural gas (LNG).

From January 1, 2016, through December 31, 2019, a tax on CNG used or consumed in the state as a motor fuel will be imposed at the rate of \$0.05 per gasoline gallon equivalent (GGE). The rate for LNG for the same period will be \$0.05 per diesel gallon equivalent (DGE) From January 1, 2020, through December 31, 2024, the tax rates will increase to \$0.11 per GGE for CNG and to \$0.11 per DGE for LNG. After 2024, the tax rate will again increase, this time to \$0.17 per GGE for CNG and to \$0.17 per DGE for LNG. These rates will not apply to owners or operators of motor vehicles displaying an alternative fuel decal.

NEBRASKA

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Nebraska has set its fuel tax rates for the period January 1, 2016 – June 30, 2016 at \$0.268 per gallon for gasoline, diesel, gasohol, ethanol and compressed fuels; \$0.05 per gallon for aviation gasoline and \$0.03 per gallon for jet fuel.

Nebraska's Petroleum Release Remedial Action Fee is set at \$0.009 per gallon for gasoline, aviation gasoline, gasohol and ethanol and at \$0.003 per gallon for diesel, jet fuel and other petroleum products. Compressed fuels are not subject to this fee.

NORTH CAROLINA

Effective January 1, 2016 North Carolina's motor fuel tax will decrease from \$0.36 per gallon to \$0.35 per gallon. There will be a further decrease on July 1, 2016 to \$0.34 per gallon. The inspection fee remains at \$0.0025 per gallon.

NEW YORK

New York has published its petroleum business tax rates for 2016. Beginning January 1, tax rates will decrease to \$0.17 per gallon for gasoline and to \$0.1525 per gallon for diesel. The tax rate for jet fuel is also decreasing to \$0.068 per gallon. The full schedule of tax rates are in Publication 908 which can be found at: <http://www.tax.ny.gov/pdf/publications/multi/pub908.pdf>

The tax rates for 2015 for commercial vessels can be found at: <http://www.tax.ny.gov/pdf/publications/multi/pub908cv.pdf>

OHIO

The Ohio Department of Taxation has issued the average wholesale price of fuel to be used when determining the gross receipts of a supplier subject to the petroleum activity tax ("PAT") for the period January 1, 2016 – March 1, 2016. The average wholesale prices are \$1.692 per gallon for gasoline, \$1.625 per gallon for diesel and \$0.425 per gallon for propane. With the PAT rate set at \$0.0065, this makes the PAT for the first quarter of 2016 \$0.010998 per gallon for gasoline, \$0.0105625 per gallon for gasoline and \$0.0027625 per gallon for propane.

OREGON

Effective January 1, 2016, aviation fuel will be taxed at a rate of \$0.11 per gallon. Aviation fuel for use in aircraft operated by turbine engines will be taxed at a rate of \$0.03 per gallon. These rates will remain in effect until January 1, 2022. At that time the rates will decrease to \$0.09 per gallon and \$0.01 per gallon respectively.

PENNSYLVANIA

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Beginning January 1, 2016 the Oil Company Franchise Tax Rate for gasoline will be \$0.503 per gallon and the tax rate for diesel will be \$0.64 per gallon.

The tax rates for aviation gasoline and jet fuel will also change. Jet fuel will decrease to \$0.016 per gallon and aviation gasoline will decrease to 0.055 per gallon.

Tax rates for 2016 for alternative fuels are as follows:

Fuel Type	Tax Rate
Ethanol	\$0.336 per gallon
Methanol	\$0.252 per gallon
Liquefied Petroleum Gas (Propane)	\$0.371 per gallon
E85	\$0.361 per gallon
M85	\$0.29 per gallon
Liquefied Natural Gas (LNG)	\$0.334 per gallon
Compressed Natural Gas (CNG)	\$0.503 per gasoline gallon equivalent
Hydrogen	\$0.503 per gasoline gallon equivalent

UTAH

Effective January 1, 2016, the motor fuel tax will increase from \$0.245 per gallon to \$0.294 per gallon.

The increase comes from a legislative change whereby the motor fuel tax rate will be determined on a “statewide average rack price per gallon of regular unleaded motor fuel. By statute the statewide average rack price “shall be determined by calculating the average of the Salt Lake City and Cedar City terminal prices of the average daily average net closing price of a gallon of branded regular, 10% ethanol, 9.0 Reid Vapor Pressure unleaded motor fuel for each terminal.” The tax rate will be 12% of the average price for the previous fiscal year. The average price may not exceed \$3.33 per gallon and if/when the average price drops below \$2.45 per gallon an alternative (yet unspecified) method will be applied to determine the average price.

Additionally, effective January 1, 2016, hydrogen and LNG will be taxed on a diesel gallon-equivalent (DGE) basis, and CNG will be taxed on a gasoline gallon-equivalent (GGE) basis. The tax rates will be as follows:

- July 1, 2016 - June 30, 2017, \$0.125 per gallon equivalent;
- July 1, 2017 - June 30, 2018, \$0.145 per gallon equivalent; and
- July 1, 2018, and thereafter, \$0.165 per gallon equivalent.

VERMONT

Vermont’s motor fuel transportation infrastructure assessment (MFTIA) rates for January 1 – March 31, 2016 have been set at \$0.0396 per gallon, reduced from \$0.0423 per gallon.

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VIRGINIA

Virginia's motor fuel tax rates for the period January 1, 2016 – June 30, 2016 will be unchanged from the previous six month period:

Fuel Type	Tax Rate
Gasoline	\$0.162 per gallon
Diesel	\$0.202 per gallon
Blended Fuels (Gasoline)	\$0.162 per gallon
Blended Fuels (Diesel)	\$0.202 per gallon
Aviation Fuel	\$0.05 per gallon (reduced to \$0.005 per gallon after the first 100,000 gallons)
Alternative Fuel	\$0.162 per GGE (Gasoline Gallon Equivalent)

WEST VIRGINIA

Effective January 1, 2016 West Virginia's gasoline gallon equivalent rates for the variable rate component of the fuel tax on alternative fuels is as follows (these gasoline gallon equivalents are multiplied by the wholesale variable component rate – 5% of the average wholesale price of each fuel - and combined with the flat \$0.205 per gallon rate to get the total tax):

Fuel Type	Gasoline Gallon Equivalent
Compressed Natural Gas (CNG)	126.67 cubic feet / 5.66 pounds
Liquefied Natural Gas (LNG)	1.554 gallons
Liquefied Petroleum Gas (LPG)	1.367 gallons
Field Gas	126.67 cubic feet / 5.66 pounds

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