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STATE TAX UPDATES

CALIFORNIA

Effective November 1, 2018, California's excise tax on gasoline will increase to \$0.417 per gallon and the excise tax on diesel will increase to \$0.36 per gallon. Gasoline and diesel that has been removed from terminal storage prior to November 1, 2017 and is held in non-bulk storage will be subject to a floor stocks tax, to be filed and remitted by January 1, 2018.

In addition to the excise tax, the prepaid and retail sales taxes on diesel fuel will also increase effective November 1, 2017. The prepaid sales tax will increase to \$0.25 per gallon and the statewide retail sales tax will increase to 13%.

There are no changes to the taxes on jet fuel or aviation gasoline.

The tables below are from the official Board of Equalization notice:

Excise Tax Rates Per Gallon		
Type of Fuel	Through October 31, 2017	Effective November 1, 2017
Gasoline (Motor vehicle fuel)	29.7 cents (\$0.297)	41.7 cents (\$0.417)
Aircraft jet fuel ¹	2 cents (\$0.02)	2 cents (\$0.02)
Diesel fuel	16 cents (\$0.16)	36 cents (\$0.36)
Aviation Gasoline ¹	18 cents (\$0.18)	18 cents (\$0.18)

¹ Excise taxes on aircraft jet fuel and aviation gasoline are not subject to SB 1 rate increase.

Sales and Use Tax Rates

Type of Fuel	Prepayment per Gallon Through October 31, 2017	Prepayment per Gallon Effective November 1, 2017	Sales and Use Tax Rates Through October 31, 2017*	Sales and Use Tax Rates Effective November 1, 2017*
Gasoline ¹ (Motor vehicle fuel)	5 cents (\$0.05)	5 cents (\$0.05)	2.25%	2.25%
Aircraft jet fuel ¹	8.5 cents (\$0.085)	8.5 cents (\$0.085)	7.25%	7.25%
Diesel fuel	18 cents (\$0.18)	25 cents (\$0.25)	9.00%	13.00%
Aviation Gasoline ¹	Not Applicable	Not Applicable	Not Applicable	Not Applicable

* You must add district taxes where applicable. District tax rates for your area are available on our website at www.cdtfa.ca.gov.

¹ SB 1 only increases the sales and use tax rate on retail sales of diesel fuel.

INDIANA

Indiana has set the gasoline use tax rate for the period October 1 – October 31, 2017 at \$0.134 per gallon. The rate is adjusted monthly.

MASSACHUSETTS

Massachusetts has announced tax rates for 4Q 2017. There are changes to the rates for Liquefied Petroleum Gases, Aviation Gasoline and Jet Fuel

Fuel Type	Tax Rate
Gasoline	\$0.24 per gallon
Diesel	\$0.24 per gallon
Aviation Gasoline	\$0.255 per gallon
LPG and Propane	\$0.132 per gallon
Jet Fuel	\$0.075 per gallon

MICHIGAN

Effective October 1, 2017 Michigan's prepaid sales tax on gasoline will be \$0.125 per gallon and the prepaid sales tax on diesel will be \$0.132 per gallon. These rates are adjusted monthly and typically announced at the beginning of the prior month.

NEW JERSEY

New Jersey's petroleum products gross receipts tax rates for the period July 1, 2017 – September 30, 2017 have been set at \$0.266 per gallon for gasoline and LPG, \$0.307 per gallon for diesel, \$0.124 per gallon for fuel oil and \$0.04 per gallon for aviation fuel. Full details can be found at: http://www.state.nj.us/treasury/taxation/pdf/other_forms/petroleum/Petroleumgrosstax.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 October 1, 2017 – December 31, 2017. The average wholesale prices are \$1.556 per gallon for gasoline, \$1.537 per gallon for diesel and \$0.619 per gallon for propane. With the PAT rate set at \$0.0065, this makes the PAT for the fourth quarter of 2017 \$0.010114 per gallon for gasoline, \$0.009991 per gallon for diesel and \$0.0040235 per gallon for propane.

