

DEPARTMENT OF STATE REVENUE
Information Bulletin #71
Sales Tax
July 2007
(Replaces Bulletin #71 Dated July 2006)

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SUBJECT: Ethanol Fuel Sales Tax Deduction

REFERENCE: [IC 6-2.5-7-1](#); [IC 6-2.5-7-5](#); [IC 6-2.5-7-5.5](#); and [IC 6-6-1.1-103](#)

I. INTRODUCTION

A sales tax deduction is available from the total amount of sales tax due for ethanol fuel (E85) dispensed through metered pumps for retail sale.

II. DEFINITION

"E85" is defined as a fuel blend nominally consisting of 85% ethanol and 15% gasoline that meets American Society for Testing and Materials standard specification 5798-99 for fuel ethanol for automotive spark-ignition engines (Ed75Ed85).

III. REPORTING AND CLAIMING THE DEDUCTION

A retail merchant who dispenses E85 from a metered pump shall report to the Department on Form ST-103 MP Schedule A, the total number of gallons of E85 sold from a metered pump during the reporting period.

The retail merchant is entitled to deduct from the sales tax that is required to be remitted an amount equal to the product of \$0.18 multiplied by the number of gallons of E85 sold at retail by the retail merchant during the reporting period.

The total amount of deductions that may be claimed by all retailers for all reporting periods may not exceed \$1,000,000 from sales tax revenue. The Department shall annually publish a notice in the Indiana Register the amount of funds available for reimbursement from the corn market development account for deductions claimed.

If you have any questions concerning this Bulletin, please do not hesitate to call (317) 615-2700 for assistance.

John Eckart
Commissioner

Posted: 08/01/2007 by Legislative Services Agency
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