

**DEPARTMENT OF STATE REVENUE**  
**Departmental Notice #2**  
**January 29, 2009**  
**Prepayment of Sales Tax on Gasoline**

This document is not a "statement" required to be published in the Indiana Register under [IC 4-22-7-7](#). However, under [IC 6-2.5-7-14](#), the Department is required to publish the prepayment rate in the Indiana Register. The purpose of this notice is to inform each refiner, terminal operator, and qualified distributor known to the Department to be required to collect prepayments of sales tax on gasoline of the "prepayment rate" effective for the five month period beginning February 1, 2009, and ending June 30, 2009.

The prepayment rate is defined by [IC 6-2.5-7-1](#) and [IC 6-2.5-7-14](#) as the product of:

**Step 1**

- (1) the statewide average retail price per gallon of gasoline (excluding the Indiana gasoline tax, the federal gasoline tax, and the Indiana gross retail tax); multiplied by
- (2) the state gross retail tax rate (7%); multiplied by
- (3) ninety percent (90%); and then
- (4) rounded to the nearest one-tenth of one cent (\$0.001).

**Step 2**

- (1) determine the lesser of the results in step one or
- (2) the product of:
  - (i) the prepayment rate in effect on the day immediately preceding the day on which the prepayment rate is determined; multiplied by
  - (ii) one hundred twenty-five percent (125%)
- (3) round the result to the nearest one-tenth of one cent (\$0.001).

Using the most recent retail price of gasoline available (as required by [IC 6-2.5-7-14\(b\)](#)), the Department has determined the statewide average retail price per gallon of gasoline to be one dollar fifty-seven and eight-tenths cents (\$1.578). The most recent retail price of gasoline available was based on data received from the U.S. Energy Information Agency released on January 26, 2009, for the month of November 2008.

Based on the provision of Step 1 and Step 2; the calculations are as follows:

**Step 1**

Statewide average retail price per gallon:	1.578
Multiplied by the state retail tax of:	x .07
	0.11046
Multiplied by ninety percent (90%)	x 0.9
	0.0994
Rounded to the nearest one-tenth of one cent:	0.099

**Step 2**

Previous 1 month prepayment rate:	0.194
Multiplied by 125%	x 1.25
	0.2425

Rounded to the nearest one-tenth of one cent: 0.243

**Based upon the above calculations, step 1 will be used in determining the prepayment rate. The prepayment rate of sales tax on gasoline for the five (5) month period beginning February 1, 2009, is nine and nine-tenths cents (\$0.099) per gallon.**

Indiana Department of State Revenue

John Eckart  
 Commissioner

The prepayment rates for periods beginning July 1, 1994, are established below:

Period			Rate Per Gallon
July 1, 1994	to	December 31, 1994	2.9 cents
January 1, 1995	to	June 30, 1995	3.7 cents
July 1, 1995	to	December 31, 1995	3.3 cents
January 1, 1996	to	June 30, 1996	3.3 cents
July 1, 1996	to	December 31, 1996	3.4 cents
January 1, 1997	to	June 30, 1997	4.0 cents
July 1, 1997	to	December 31, 1997	3.9 cents
January 1, 1998	to	June 30, 1998	4.0 cents
July 1, 1998	to	December 31, 1998	2.9 cents
January 1, 1999	to	June 30, 1999	3.0 cents
July 1, 1999	to	December 31, 1999	2.4 cents
January 1, 2000	to	June 30, 2000	3.6 cents
July 1, 2000	to	December 31, 2000	4.6 cents
January 1, 2001	to	June 30, 2001	4.9 cents
July 1, 2001	to	December 31, 2001	4.9 cents
January 1, 2002	to	June 30, 2002	4.9 cents
July 1, 2002	to	December 31, 2002	3.2 cents
January 1, 2003	to	June 30, 2003	5.3 cents
July 1, 2003	to	December 31, 2003	6.6 cents
January 1, 2004	to	June 30, 2004	6.5 cents
July 1, 2004	to	December 31, 2004	6.6 cents
January 1, 2005	to	June 30, 2005	7.6 cents
July 1, 2005	to	December 31, 2005	7.8 cents
January 1, 2006	to	June 30, 2006	11.2 cents
July 1, 2006	to	December 31, 2006	9.5 cents
January 1, 2007	to	June 30, 2007	11.9 cents
July 1, 2007	to	December 31, 2007	9.9 cents
January 1, 2008	to	June 30, 2008	12.4 cents
July 1, 2008	to	December 31, 2008	15.5 cents
January 1, 2009	to	January 31, 2009	19.4 cents
February 1, 2009	to	June 30, 2009	9.9 cents

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