
DEPARTMENT OF STATE REVENUE
Information Bulletin #71
Sales Tax
August 2009

(Replaces Bulletin #71 dated July 2007)

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SUBJECT: Ethanol Fuel Sales Tax Deduction

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

EFFECTIVE DATE: July 1, 2009

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 January, February, and March of each calendar year.

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 the amount that the budget agency determines is available in the retail merchant E85 deduction reimbursement fund. Before August 1 of each year, the budget agency shall estimate whether the amount expected to be reported for January, February, and March of the following year will exceed the amount of money available in the retail merchant E85 deduction reimbursement fund.

If the budget agency determines that the amount of money in the retail merchant E85 deduction reimbursement fund is insufficient to cover the amount of deductions expected to be reported, the budget agency shall publish in the Indiana Register a notice that the E85 deduction is suspended for January, February, and March of the following calendar year. The budget agency shall notify all participating retail merchants of the decision to suspend the deduction program for that year.

John Eckart
Commissioner

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