

DEPARTMENT OF STATE REVENUE

Departmental Notice #2
December 1, 2010
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 June and December issues of 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 next six-month period. A prepayment rate is calculated twice a year by the Department and is effective for the period January 1 through June 30, or, July 1 through December 31, as appropriate.

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) eighty percent (80%); 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 redetermined; 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 two dollars and nineteen and three-tenths cents (\$2.193). The most recent retail price of gasoline available was based on data contained in the November 2010 Petroleum Marketing Monthly as published by the Energy Information Agency.

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

Step 1

Statewide average retail price per gallon:	2.193
Multiplied by the state retail tax of:	x.07
	<hr/> 0.15351
Multiplied by eighty percent (80%)	x 0.8
	<hr/> 0.1228

Rounded to the nearest one-tenth of one cent: 0.123

Step 2

Previous 6 month prepayment rate:	0.118
Multiplied by 125%	x 1.25
	<hr/> 0.1475

Rounded to the nearest one tenth of one cent: 0.148

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 six (6) month period beginning January 1, 2011, is twelve and three-tenths cents (\$0.123) 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
July 1, 2009	to December 31, 2009	8.9 cents
January 1, 2010	to June 30, 2010	11.1 cents
July 1, 2010	to December 31, 2010	11.8 cents
January 1, 2011	to June 30, 2011	12.3 cents

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