

DEPARTMENT OF STATE REVENUE

Information Bulletin #305
General Tax
December 2019
(Replaces Commissioner's Directive #59 dated June 2019)
Effective Date: Upon Publication

SUBJECT: Motor Carrier Fuel Tax Rate

REFERENCES: [IC 6-6-1.1](#); [IC 6-6-2.5](#); [IC 6-6-4.1](#)

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SUMMARY OF CHANGES

Aside from technical, nonsubstantive changes, this bulletin effectively provides the same information as it had before when it was published under the title Commissioner's Directive #59.

I. INTRODUCTION

The motor carrier fuel tax (MCFT) is a type of "road tax" that is imposed on motor carriers, so that if a fuel excise tax was not paid at the time of purchase, and the fuel was used by the carrier in their operations on Indiana highways, the carrier would pay MCFT on a quarterly basis to ensure that tax has been collected on the use of the fuel in Indiana.

Indiana is a member of the International Fuel Tax Agreement (IFTA). The IFTA ensures that fuel taxes are apportioned to the member jurisdiction in which fuel was consumed. When an interstate carrier consumes fuel in Indiana, MCFT will be owed on that consumption if a tax-paid purchase of the fuel was not made in Indiana. Through the IFTA, motor carriers operating interstate report to the jurisdiction in which they are based, receiving credit for the taxes paid in the jurisdictions where the fuel was purchased but not consumed, and paying tax on the fuel they consumed in jurisdictions where they had not paid tax to that jurisdiction because it was purchased in another jurisdiction.

II. DEFINITIONS

"Gasoline" means:

- (1) all products commonly or commercially known or sold as gasoline, including casinghead and absorption or natural gasoline, regardless of their classifications or uses; and
- (2) any liquid, which when subjected to distillation of gasoline, naphtha, kerosene, and similar petroleum products with American Society for Testing Materials Designation D-86, shows not less than ten percent (10%) distilled (recovered) below three hundred forty-seven degrees Fahrenheit (347 degrees F) or one hundred seventy-five degrees Centigrade (175 degrees C), and not less than ninety-five percent (95%) distilled (recovered) below four hundred sixty-four degrees Fahrenheit (464 degrees F) or two hundred forty degrees Centigrade (240 degrees C).

However, the term "gasoline" does not include liquefied gases which would not exist as liquids at a temperature of sixty degrees Fahrenheit (60 degrees F) or sixteen degrees Centigrade (16 degrees C), and a pressure of fourteen and seven-tenths (14.7) pounds per square inch absolute, or denatured, wood, or ethyl alcohol, ether, turpentine, or acetates, unless such product is used as an additive in the manufacture, compounding, or blending of a liquid within subdivision (2) or is otherwise blended with a liquid described in subdivision (2) (including ethanol used in E85), in which event only the quantity so used is considered gasoline. In addition, "gasoline" does not include those liquids which meet the specifications of subdivision (2) but which are especially designated for use other than as a fuel for internal combustion engines.

"Special fuel" means all combustible gases and liquids that are:

- (1) Suitable for the generation of power in an internal combustion engine or a motor; or
- (2) Used exclusively for heating, industrial, or farm purposes other than for the operation of a motor vehicle.

Special fuel includes biodiesel and blended biodiesel (as defined in [IC 6-6-2.5-1.5](#)), and natural gas products. However, the term does not include an alternative fuel, a gasoline (as defined in [IC 6-6-1.1-103](#)); an ethanol produced, stored, or sold for the manufacture of or compounding or blending with gasoline; kerosene; and jet fuel (if the purchaser of the jet fuel has provided to the seller proof of the purchaser's federal jet fuel registration at or before the time of sale).

"Alternative fuel" means a liquefied petroleum gas, not including a biodiesel fuel or biodiesel blend, used in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance. The term includes all forms of fuel commonly or commercially known or sold as butane or propane.

III. MCFT RATE EFFECTIVE JULY 1, 2019

Effective July 1, 2019, the rate of the MCFT is **\$0.49** per gallon of special fuel or alternative fuel, and **\$0.30** per gallon of gasoline, consumed by a carrier in its operations on highways in Indiana.

Adam J. Krupp
Commissioner

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