



# Indiana Department of Revenue

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## Departmental Notice #43

Subject: Rates for the Gasoline License Tax and Special Fuel License Tax

Publication Date: December 2025

Effective Date: July 1, 2025

Reference(s): IC 6-6-1.1-201; IC 6-6-1.6-2; IC 6-6-1.6-3; IC 6-6-2.5-28; IC 6-6-4.1-4.5

Replaces Notice #43, dated April 2024

Disclaimer: Departmental notices are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules, and court decisions. Any information that is not consistent with the law, regulations, or court decisions is not binding on the department or the taxpayer. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein. This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-2-7. However, under IC 6-6-1.1-201 and IC 6-6-2.5-28, the department is required to publish the respective tax rates on the department's Internet website no later than June 1. The purpose of this notice is to notify affected taxpayers of the change in rate on the department's Internet website.

## Summary of Changes

Apart from technical, nonsubstantive changes, this notice has been revised to include information from Departmental Notice #12, which provided historical rate information. As a result, Departmental Notice #12 has been deleted, as it no longer contains any other relevant information.

## Background

Pursuant to HEA 1002-2017, the Indiana Department of Revenue (DOR) is required to publish updated rates for gasoline license tax, special fuel license tax, and motor carrier surcharge tax. As enacted in 2017, under IC 6-6-1.1-201(b), IC 6-6-2.5-28(b), and IC 6-6-4.1-4.5(b), new rates are to be determined by applying formulas set forth under IC 6-6-1.6.

For 2017, the formulas set forth under IC 6-6-1.6-2 required DOR to use annual factors being in place from the beginning of the period set forth by statute (2003 for gasoline, 1989 for special fuel and motor carrier surcharge) to compute an annual rate change, similar to the manner discussed below for annual rate changes, except that annual rate reductions could occur. Each tax as computed was subject to a statutory maximum amount, as set forth for each respective tax type.

In 2018, HEA 1290-2018 repealed the motor carrier surcharge tax effective July 1, 2018. In addition, HEA 1290-2018 increased the special fuel tax from twenty-six cents (\$0.26) per gallon to forty-seven cents (\$0.47) per gallon effective July 1, 2018. However, the \$0.47 rate was subject to the 2018 annual adjustment under IC 6-6-2.5-28(b).

For 2018 through 2027, the formulas set forth under IC 6-6-1.6-3 require DOR to use annual factors to compute the annual rate change. The rate change is to be computed by first computing the change in the Consumer Price Index as defined by IC 6-6-1.6-1(1). Second, the annual change in Indiana Personal Income (IPI), as determined by the Bureau of Economic Analysis, United States Department of Commerce, is computed. Third, the two changes are averaged to determine an overall rate of change. Fourth, the overall rate of change is applied to the previous year's tax rate to determine the rate in effect for the next year.

However, the gasoline tax rate may not increase more than one cent (\$0.01) from year to year, while the special fuel tax rate may not increase more than two cents (\$0.02) from year to year. Neither the gasoline tax rate nor the special fuel tax rate may decrease from year to year.

## Statutory Calculation of the Index Factor

The Consumer Price Index factor component for 2024 is 313.689/304.702, or 1.02950. The Indiana personal income factor component for 2024, as determined by the Bureau of Economic Analysis is 441,783.2/411,992.6, or 1.07231. The average of these amounts is 1.05091, which is the factor to be used to compute the gasoline and special fuel taxes for July 1, 2025, to June 30, 2026.

## Statutory Calculation of the Gasoline License Tax Rate

For the period July 1, 2025, to June 30, 2026, the gasoline license tax is thirty-six cents (\$0.36) per gallon. The computation by statute is  $0.35 \times 1.05091$ , or 0.36782. Rounded to the nearest cent, this is thirty-seven cents (\$0.37) per gallon. However, because the statutory increase is limited to one cent (\$0.01) per year, the rate is thirty-six cents (\$0.36) per gallon.

## Statutory Calculation of the Special Fuel License Tax Rate

For the period July 1, 2025, to June 30, 2026, the special fuel license tax is sixty-one cents (\$0.61) per special fuel gallon. The computation by statute is  $0.59 \times 1.05091$ , or 0.62004. Rounded to the nearest cent, this is sixty-two cents (\$0.62) per gallon. However, because the statutory increase is limited to two cents (\$0.02) per year, the rate is sixty-one cents (\$0.61) per gallon.

## Historical Fuel License Tax Rates

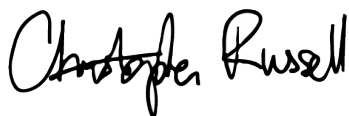
The following charts list the current and previous tax rates per gallon. All rates include both state and federal excise taxes. The rates do not include any sales or use taxes. Generally, a taxpayer can determine the amount of state and federal excise tax that was paid by reviewing the invoice from the distributor.

Effective Dates	Gasoline Tax Rate			Special Fuel Tax Rate		
	State Rate	Federal Rate	Total Rates	State Rate	Federal Rate	Total Rates
10/01/93 thru 12/31/95	.15	.184	.334	.16	.244	.404
01/01/96 thru 09/30/97	.15	.183	.333	.16	.243	.403
10/01/97 thru 12/31/02	.15	.184	.334	.16	.244	.404
01/01/03 thru 06/30/17	.18	.184	.364	.16	.244	.404
07/01/17 thru 06/30/18	.28	.184	.464	.26	.244	.504
07/01/18 thru 06/30/19	.29	.184	.474	.48	.244	.724
07/01/19 thru 06/30/20	.30	.184	.484	.49	.244	.734
07/01/20 thru 06/30/21	.31	.184	.494	.51	.244	.754
07/01/21 thru 06/30/22	.32	.184	.504	.53	.244	.774
07/01/22 thru 06/30/23	.33	.184	.514	.55	.244	.794
07/01/23 thru 06/30/24	.34	.184	.524	.57	.244	.814
07/01/24 thru 06/30/25	.35	.184	.534	.59	.244	.834
07/01/25 thru 06/30/26	.36	.184	.544	.61	.244	.854

**NOTE:** There is an oil inspection fee of \$0.01 per gallon that is imposed on gasoline and special fuel. If a consumer has been charged \$0.37 per gallon on gasoline or \$0.62 per gallon for special fuel, the distributor has included the oil inspection fee on the same line as the state excise tax. The oil inspection fee cannot be backed out to determine the net price of the fuel.

Additionally, the gasoline use tax rate is contained in [Departmental Notice #2](#) and is available online at [in.gov/dor/resources/tax-library/](http://in.gov/dor/resources/tax-library/).

If you have any questions concerning this notice, please contact the Tax Policy Division at [taxpolicy@dor.in.gov](mailto:taxpolicy@dor.in.gov).



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