



Indiana Department of Revenue

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Departmental Notice #12

Subject: State and Federal Excise Taxes Levied on Motor Fuel

Publication Date: June 2023

Effective Date: July 1, 2023

Reference(s): IC 6-2.5-5-51; IC 6-6-1.1-201; IC 6-6-2.5-28; IC 16-44-2-18; IC 16-44-2-18.5

Replaces Notice #12, dated June 2022

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Summary of Changes

Apart from technical, nonsubstantive changes, this notice has been updated to remove outdated references and to include the rates effective for July 1, 2023 through June 30, 2024.

Introduction

The sale of special fuel is exempt from the seven percent (7%) gross retail (or "sales") tax. However, special fuel sold as heating oil is not exempt from Indiana sales tax.

Persons who sell special fuel through a stationary-metered pump (service stations, convenience stores, key pumps, etc.) will no longer need to report sales of special fuel on Form ST-103MP, as special fuel (except heating oil) is now exempt from sales tax. "Special fuel" includes biodiesel, blended biodiesel, heating oil, and natural gas products (compressed natural gas (CNG) and liquefied natural gas (LNG)). The term does not include: gasoline; ethanol produced, stored, or sold for the manufacture of or compounding or blending with gasoline; kerosene; or 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 each sale. Taxpayers whose only types of fuel sold via a metered pump are gasoline and special fuel should now file Form ST-103. However, the ST-103MP must still be used to report sales of kerosene, propane, butane, special fuel that is a heating oil, and other fuels sold via metered pump.

Determination of the Amount of Excise Taxes Paid

Generally, a taxpayer can determine the amount of state and federal excise tax that was paid by reviewing the invoice from the distributor. Beginning July 1, 2023, the state excise tax rate for gasoline increases to \$0.34 and the state excise tax rate for special fuel increases to \$0.57. per gallon. For prior rates, please see the table below.

NOTE: The oil inspection fee is \$0.01 per gallon and is imposed on gasoline and special fuel. If you have been charged \$0.34 per gallon for gasoline (or \$0.35 beginning July 1, 2023), or \$0.56 (or \$0.58 beginning July 1, 2023) 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.

The following charts list the current and previous tax rates per gallon to help assist in completing the ST-103 and the ST-103MP. All rates include state and federal excise taxes. The rates do not include any sales or use taxes.

Gasoline Tax Rate

10/01/93 thru 12/31/95	.334
01/01/96 thru 09/30/97	.333
10/01/97 thru 12/31/02	.33400
01/01/03 thru 06/30/17	.364
07/01/17 thru 06/30/18	.464
07/01/18 thru 06/30/19	.474
07/01/19 thru 06/30/20	.484
07/01/20 thru 06/30/21	.494
07/01/21 thru 06/30/22	.504
07/01/22 thru 06/30/23	.514
07/01/23 and onward	.524

Special Fuel Tax Rate

10/01/93 thru 12/31/95	.404
01/01/96 thru 09/30/97	.403
10/01/97 thru 06/30/17	.40400
07/01/17 thru 06/30/18	.50400
07/01/18 thru 06/30/19	.72400
07/01/19 thru 06/30/20	.73400
07/01/20 thru 06/30/21	.75400
07/01/21 thru 06/30/22	.77400
07/01/22 thru 06/30/23	.79400
07/01/23 and onward	.81400

The gasoline use tax rate is contained in [Departmental Notice #2](#) and is available online at in.gov/dor/legal-resources/tax-library/.

If you have any questions concerning this notice, please contact the Tax Policy Division at taxpolicy@dor.in.gov.



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