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**STATE TAX UPDATES – OCTOBER 2016\***

**ALABAMA**

Effective October 1, 2016, an agricultural inspection fee of \$0.02 per gallon will be added to the gasoline excise tax and the administration of the inspection fee for dyed diesel fuel, dyed kerosene, and lubricating oil will be transferred to the Department of Revenue. The first inspection fee return for October 2016 must be electronically filed on or before November 21, 2016. All importers and first sellers of dyed diesel, dyed kerosene and lubricating oil must obtain an inspection fee permit as well as all suppliers or permissive suppliers selling gasoline or undyed diesel to a licensed exempt entity other than the federal government or who sell dyed diesel or dyed kerosene to an importer who does not hold a valid permit. The State issued a notice to all taxpayers in May. A copy of the notice along with a link to obtain an Inspection Fee Permit can be found at <https://revenue.alabama.gov/motorfuels/notices/InspectionFeeNotice2.pdf>

**INDIANA**

Indiana has set the gasoline use tax rate for the period October 1 – October 31, 2016 at \$0.120 per gallon. The rate is adjusted monthly.

**MASSACHUSETTS**

Massachusetts has announced tax rates for 4Q 2016. There are changes to the rates for Liquefied Petroleum Gases, Aviation Gasoline and Jet Fuel

Fuel Type	Tax Rate
Gasoline	\$0.24 per gallon
Diesel	\$0.24 per gallon
Aviation Gasoline	\$0.236 per gallon
LPG and Propane	\$0.107 per gallon
Jet Fuel	\$0.067 per gallon

\* This list contains key State updates taking effect in October 2016. This is not intended to be an exhaustive list. Please confirm all tax rates and license and reporting requirements with the particular State or your tax consultants.

## MICHIGAN

Effective October 1, 2016 Michigan's prepaid sales tax on gasoline will be \$0.12 per gallon and the prepaid sales tax on diesel will be \$0.126 per gallon. These rates are adjusted monthly and typically announced at the beginning of the prior month.

## OHIO

The Ohio Department of Taxation has issued the average wholesale price of fuel to be used when determining the gross receipts of a supplier subject to the petroleum activity tax ("PAT") for the period October 1, 2016 – December 31, 2016. The average wholesale prices are \$1.562 per gallon for gasoline, \$1.448 per gallon for diesel and \$0.489 per gallon for propane. With the PAT rate set at \$0.0065, this makes the PAT for the fourth quarter of 2016 \$0.010153 per gallon for gasoline, \$0.009412 per gallon for diesel and \$0.0031785 per gallon for propane.



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