

## **TAX CHANGES FOR 2017\***

### **FEDERAL**

Effective January 1, 2017, the federal oil spill tax on domestic crude oil (received at a refinery and exported without coming to rest in a refinery (this issue is still being challenged)) and imported petroleum products will be increased to \$0.09 per barrel.

The \$1.00 per gallon biodiesel mixture excise and income tax credits, the \$0.50 per gallon alternative fuel and alternative fuel mixture tax credits and the \$1.01 per gallon cellulosic biofuel income tax credits will expire on December 31, 2016. Legislation was introduced in Congress proposing to extend the credits but was not approved prior to Congress adjourning. The future of the credit will now be in the hands of a new Congress and Administration and it remains to be seen whether it will simply be retroactively reinstated when the new Congress takes office or whether there will be more significant changes as part of a larger tax reform package.

### **CALIFORNIA**

Effective January 1, 2017, the state retail sales tax rate on diesel will be reduced to 9% and the rate on aviation jet fuel will be reduced to 7.25%. There is no change to the gasoline rate which remains at 2.25%.

### **FLORIDA**

Effective January 1, 2016, the Florida statewide tax rates on motor fuel (gasoline) will increase to \$0.174 per gallon and the statewide tax rates on undyed diesel will increase to \$0.175 per gallon. The state tax rate on aviation fuel also remains at \$0.069 per gallon. In addition, the minimum local option fuel tax on each gallon of motor fuel sold to licensed wholesalers is increased to \$0.134 per gallon, while the \$0.00125 per-gallon inspection fee is unchanged. The total statewide fuel tax for 2017 (exclusive of local option taxes above the minimum) will be \$0.30925 per gallon for gasoline and \$ 0.318 per gallon for diesel.

With respect to county motor fuel tax rates, the gasoline rate differs by county and can be found on the attached chart. Terminal suppliers must collect a minimum local option fuel tax in the amount of \$0.134 per gallon and an inspection fee of \$0.00125 per gallon on each gallon of motor fuel sold to licensed wholesalers. Wholesalers must remit to the Florida Department of Revenue the county tax rate above the minimum \$0.134 per gallon local option fuel tax on motor fuel sold to retail dealers or end-users.

The pollutants tax is unchanged at \$0.89 per barrel.

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Full details of the rate changes can be found at: [http://floridarevenue.com/taxes/Documents/16b05-02\\_chart.pdf](http://floridarevenue.com/taxes/Documents/16b05-02_chart.pdf)

## GEORGIA

Georgia's fuel tax rates effective January 2017 are as follows:

[https://dor.georgia.gov/sites/dor.georgia.gov/files/related\\_files/document/LATP/Policy%20Bulletin/Bulletin%20-%20State%20Excise%20Tax%20Rate%20-%20Effective%20January%202017%20-%20Copy.pdf](https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/LATP/Policy%20Bulletin/Bulletin%20-%20State%20Excise%20Tax%20Rate%20-%20Effective%20January%202017%20-%20Copy.pdf)

Fuel Type	Tax Rate
Gasoline	\$0.263 per gallon
Diesel	\$0.294 per gallon
Aviation Gasoline	\$0.010 per gallon
LPG	\$0.263 per gallon
Special Fuel	\$0.263 per gallon

The prepaid local tax average retail sales prices to be collected by motor fuel distributors selling motor fuel to unlicensed entities has been set at the following rates for the period January 1, 2017 – June 30, 2017

[https://dor.georgia.gov/sites/dor.georgia.gov/files/related\\_files/document/LATP/Policy%20Bulletin/Bulletin%20-%20Prepaid%20Local%20Tax%20-%20January%202017.pdf](https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/LATP/Policy%20Bulletin/Bulletin%20-%20Prepaid%20Local%20Tax%20-%20January%202017.pdf)

Fuel Type	Average Retail Sales Price
Gasoline	\$1.931 per gallon
Diesel	\$2.061 per gallon
Aviation Gasoline	\$3.000 per gallon
LPG	\$1.954 per gallon
Special Fuel	\$1.862 per gallon

## ILLINOIS

Illinois has set its prepaid sales tax on motor fuel at \$0.12 per gallon for gasoline and other motor fuels such as diesel and at \$0.10 per gallons for gasohol and biodiesel (blends between 1% and 10%). These rates are for the period January 1, 2017 – June 30, 2017.

## INDIANA

The gasoline use tax for the period January 1, 2017 – January 31, 2017 has been set at \$0.116 per gallon. The rate changes monthly.

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## MARYLAND

Maryland has announced that there will be no change to the sales tax equivalent rates from the period beginning July 1, 2016. The rates for the period January 1, 2017 – June 30, 2017 will thus be unchanged:

Fuel Type	Tax Rate
Gasoline	\$0.3350 per gallon
Diesel	\$0.3425 per gallon
Aviation Fuel	\$0.07 per gallon

## MASSACHUSETTS

Massachusetts has set its tax rates for the period January 1, 2017 – March 31, 2017 as follows:

Fuel Type	Tax Rate
Gasoline	\$0.24 per gallon
Diesel	\$0.24 per gallon
Aviation Gasoline	\$0.246 per gallon
LPG and Propane	\$0.103 per gallon
Jet Fuel	\$0.067 per gallon

Effective January 1, 2017 the UST Delivery Fee will increase from \$255.10 per Delivery Load of 10,000 gallons to \$257.15 per Delivery Load (\$0.025715 per gallon). The fee is collected on Delivery Loads sold by licensed Distributors, Unclassified Importers and Special Fuel Suppliers to any unlicensed entity. The fee is collected monthly.

## MICHIGAN

Effective January 1, 2017, Michigan's motor fuel tax on gasoline and diesel will be increased to \$0.263 per gallon. At that time, the floor stocks tax provisions will take effect requiring taxpayers will motor fuel in storage – on which the lower rates were previously paid - to pay the difference in the old and new tax rates by February 20, 2017. Full details can be found at [www.michigan.gov](http://www.michigan.gov). Treasury Update, Volume 1, Issue 2, Michigan Department of Treasury, February 2016.

For January 2017, the prepaid sales tax on gasoline will be \$0.109 per gallon and on diesel will be \$0.126 per gallon. These rates are updated monthly.

## NEW JERSEY

New Jersey's petroleum products gross receipts tax rates for the period January 1, 2017 – March 31, 2017 have been set at \$0.266 per gallon for gasoline and LPG, \$0.199 per gallon for diesel, \$0.124 per gallon for fuel oil and \$0.04 per gallon for aviation fuel. Full details can be found at

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## NORTH CAROLINA

Effective January 1, 2017 North Carolina's motor fuel tax will increase from \$0.34 per gallon to \$0.343 per gallon.

## NEW YORK

New York has published its petroleum business tax rates for 2017. Beginning January 1, tax rates will decrease to \$0.16.2 per gallon for gasoline and to \$0.1445 per gallon for diesel. The tax rate for jet fuel is also decreasing to \$0.065 per gallon. The full schedule of tax rates are in Publication 908 which can be found at: <http://www.tax.ny.gov/pdf/publications/multi/pub908.pdf>

The tax rates for 2017 for commercial vessels can be found at:  
<http://www.tax.ny.gov/pdf/publications/multi/pub908cv.pdf>

## 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 January 1, 2017 – March 1, 2017. The average wholesale prices are \$1.441 per gallon for gasoline, \$1.439 per gallon for diesel and \$0.474 per gallon for propane. With the PAT rate set at \$0.0065, this makes the PAT for the first quarter of 2017 \$0.0093665 per gallon for gasoline, \$0.0093535 per gallon for diesel and \$0.003081 per gallon for propane.

## PENNSYLVANIA

Beginning January 1, 2017, the Oil Company Franchise Tax Rate for gasoline will be \$0.582 per gallon and the tax rate for diesel will be \$0.747 per gallon.

The tax rates for aviation gasoline and jet fuel will remain unchanged at \$0.055 per gallon for aviation gasoline and \$0.016 per gallon for jet fuel.

Tax rates for 2017 for alternative fuels are as follows:

Fuel Type	Tax Rate
Ethanol	\$0.388 per gallon
Methanol	\$0.292 per gallon
Liquefied Petroleum Gas (Propane)	\$0.429 per gallon
E85	\$0.418 per gallon
M85	\$0.335 per gallon
Liquefied Natural Gas (LNG)	\$0.386 per gallon

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Compressed Natural Gas (CNG)	\$0.582 per gasoline gallon equivalent
Hydrogen	\$0.582 per gasoline gallon equivalent

### VIRGINIA

Virginia's motor fuel tax rates for the period January 1, 2017 – June 30, 2017 will be unchanged from the previous six month period:

Fuel Type	Tax Rate
Gasoline	\$0.162 per gallon
Diesel	\$0.202 per gallon
Blended Fuels (Gasoline)	\$0.162 per gallon
Blended Fuels (Diesel)	\$0.202 per gallon
Aviation Fuel	\$0.05 per gallon (reduced to \$0.005 per gallon after the first 100,000 gallons)
Alternative Fuel	\$0.162 per GGE (Gasoline Gallon Equivalent)

### WEST VIRGINIA

Effective January 1, 2017 West Virginia's combined fuel tax rates (flat rate plus variable rate) are as follows:

Fuel Type	Tax Rate
Gasoline (including ethanol and blends)	\$0.3220 per gallon
Diesel (including biodiesel)	\$0.3220 per gallon
Compressed Natural Gas (CNG)	\$0.2360 per gallon
Liquefied Natural Gas (LNG)	\$0.1520 per gallon
Liquefied Petroleum Gas (LPG)	\$0.1990 per gallon
Field Gas	Exempt

Dyed diesel, aviation gasoline, aviation jet fuel, #1 fuel oil, heating oil, dyed biodiesel and dyed kerosene are only subject to the variable rate which is \$0.1170 for 2017.

Effective January 1, 2017 the gasoline gallon equivalent rates for the variable rate component of the fuel tax on alternative fuels is as follows (these gasoline gallon equivalents are multiplied by the wholesale variable component rate – 5% of the average wholesale price of each fuel - and combined with the flat \$0.205 per gallon rate to get the total tax) – with the exception of Field Gas, these are unchanged from 2016:

Fuel Type	Gasoline Gallon Equivalent
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Compressed Natural Gas (CNG)	126.67 cubic feet / 5.66 pounds
Liquefied Natural Gas (LNG)	1.554 gallons
Liquefied Petroleum Gas (LPG)	1.367 gallons
Field Gas	Exempt

Detailed information can be found in Administrative Notice 2016-27  
(<http://tax.wv.gov/Documents/AdministrativeNotices/2016/AdministrativeNotice.2016-27.pdf>)



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