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## Georgia Department of Revenue Sales Tax Bulletin

### State Excise Tax on Motor Fuel Sales

### Effective: July 1, 2016

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June 2, 2016

**Effective July 1, 2016**, the following State Excise Tax Rates must continue to be collected by the licensed distributor on all sales of motor fuel sold to any purchaser not properly licensed as a Georgia distributor. These State Excise Tax Rates have been in effect since July 1, 2015 and will not change as of July 1, 2016. Sales of aviation gasoline are generally subject to a 1 cent per gallon excise tax so long as the sale is made to a licensed aviation gasoline distributor (“AL” license type); if not, then a 26 cent rate per gallon will apply to aviation gasoline. Motor fuels, other than diesel fuel, will continue to be taxed at a 26 cent rate per gallon. Diesel fuel will continue to be taxed at a rate of 29 cents per gallon.

**The following rates will remain in effect from July 1, 2016 until December 31, 2016:**

<u>Motor Fuel Type</u>	<u>State Excise Tax Rate</u>
1. Gasoline	\$ 0.26 Per/Gal.
2. Diesel	\$ 0.29 Per/Gal.
3. Aviation Gasoline	\$ 0.01 Per/Gal.
4. Liquefied Petroleum Gas	\$ 0.26 Per/Gal.
5. Special Fuel and Compressed Petroleum Gas	\$ 0.26 Per/Gal.

Also on July 1, 2016, a “preliminary excise tax rate” will be calculated by the Department using the average miles per gallon of all new vehicles registered in this state in the previous year, with 2014 used as the base year. To determine the preliminary excise tax rate, the current excise tax rate will be multiplied by the percentage change in fuel efficiency from the previous year and the resulting increase or decrease will be added to the current excise tax rate. Once established, the preliminary tax rate will then be multiplied by the annual percentage of increase or decrease in the Consumer Price Index. The result of this calculation will be added to the preliminary excise tax rate, the sum of which will be the new excise tax rate for the next calendar year. The new excise tax rate will be effective **January 1, 2017**. The new rate will be published 30 days prior to the effective date.

#### FOR MORE INFORMATION

Should you have any questions regarding this bulletin, please visit our website at <http://dor.georgia.gov/> or call the Taxpayer Services Motor Fuel Unit, 8:00 a.m. to 4:30 p.m., EST, Monday through Friday, excluding holidays, at 1-877-423-6711.