

**RULES
OF
DEPARTMENT OF REVENUE
MOTOR FUEL TAX AND ROAD TAXES**

**CHAPTER 560-9-1
MOTOR FUEL TAX**

**560-9-1-.12 – Calculation of Prepaid Local Tax and IFTA
Rates.**

(1) General.

(a) The purpose of this rule is to provide guidance relating to the calculation of the prepaid local tax under Code Section 48-8-2(23) and the International Fuel Tax Agreement (“IFTA”) rate under Code Section 48-9-31, et. seq.

(b) The Commissioner shall calculate and publish the prepaid local tax rates within the thirty days prior to January 1 and July 1 each year on the Department’s website.

(2) Calculation Methods.

(a) The Commissioner shall issue the rate of prepaid local tax on a semiannual basis, rounded to the nearest \$.001 per gallon for use in the following semiannual period. The rate shall be calculated by utilizing the state-wide average retail price by motor fuel type as compiled by the Energy Information Agency of the United States Department of Energy, the Oil Pricing Information Service, or a similar reliable published index less taxes imposed under Code Section 48-9-3, and all applicable sales and use taxes.

(b) For gasoline other than aviation gasoline: the Commissioner shall use a weighted average to calculate the prepaid local tax for sales of regular, mid-grade and premium unleaded gasoline. It shall be computed by initially dividing the total sales of each grade of gasoline in Georgia by all gasoline sales in Georgia during a semi-annual period. The respective percentages for each grade of gasoline shall then be multiplied by the statewide average retail price for each grade of gasoline, exclusive of all state motor fuel excise taxes and all applicable sales and use taxes, to determine a single composite retail price for all grades of gasoline. The composite retail price of gasoline will then be multiplied by the applicable local sales and use tax rate.

(c) For all other types of motor fuel, including aviation gasoline: The Commissioner shall use the average retail sales price in Georgia for each type of motor fuel during a semiannual period to calculate the applicable prepaid local tax. The prepaid local tax shall be computed by multiplying the average retail price for each type of motor fuel, exclusive of all state excise and all applicable sales and use taxes, by the applicable local sales and use tax rate.

(3) Prepaid Local Tax Rate Revisions.

(a) If the average retail price for any type of motor fuel changes by 25 percent or more during a semi-annual period, the Commissioner shall recalculate the prepaid local tax rate for that particular type of motor fuel.

(b) The Commissioner shall publish the revised prepaid local tax rate on the Department's website and such publication shall be made within the thirty days prior to its effective date, which will be on the first day of the next calendar month.

(4) International Fuel Tax Agreement (IFTA) Composite Rate.

(a) The IFTA motor fuel tax rate shall be based upon the state motor fuel excise tax rate imposed under Code Section 48-9-3. The Commissioner shall publish this rate on the Department's website each calendar quarter.

(b) The quarterly IFTA motor fuel tax rate will be based on the average retail sales price exclusive of all state motor fuel excise taxes and all applicable sales and use taxes.

Authority: O.C.G.A. §§ 40-2-11, 40-2-152, 48-2-12.