



Georgia Department of Revenue Motor Fuel Tax Bulletin
Suspension of Increase of Prepaid State Tax Rates
on Motor Fuel Sales
Effective: July 1, 2011

June 24, 2011

In response to the dramatic increase in the price of motor fuel and aviation gasoline since the adjournment of the 2011 General Assembly, and because the increases have and will continue to impose significant financial burdens on all Georgia taxpayers and businesses, and because the significant increase in motor fuel prices will result in a windfall to the State in the form of surplus State taxes on those commodities, Governor Nathan Deal issued an Executive Order on June 23, 2011, suspending any increase in the **“Prepaid State Tax”** on sales of motor fuel and aviation gasoline for on-highway use by freezing the Prepaid State Tax rates at their May 1, 2011 levels.

As a result of Governor Deal’s Executive Order, the *Prepaid State Tax* rates in effect for periods beginning on or after July 1, 2011 will remain the same as those previously set for May 1, 2011 until December 31, 2011. The Executive Order did not eliminate the Prepaid State Tax; it suspended any increase in the rates, and froze the rates at their May 1, 2011 levels.

The Executive Order suspending any increase in the Prepaid State Tax rates by freezing the current rates does **not** apply to “Prepaid Local Tax” (i.e., local sales and use tax). See the concurrently issued bulletin related to the Prepaid Local Tax for the average retail sales prices for each motor fuel type effective for the semiannual period beginning July 1, 2011, used to calculate Prepaid Local Tax (i.e., local sales and use tax).

The Executive Order issued on June 23, 2011, suspending any increase in the Prepaid State Tax rates (freezing the current May 1, 2011 rates) does not change the responsibility of licensed motor fuel distributors (suppliers) in the State of Georgia to continue to collect Prepaid State Tax and Prepaid Local Tax on all motor fuel sold to any purchaser not licensed as a Georgia distributor (unless otherwise exempt). This is in addition to the State Excise Tax rate of 7 ½ cents per gallon, which must also be collected at the time of sale (except for Aviation Gasoline, which is generally subject to a 1 cent per gallon excise tax).

Effective July 1, 2011, the following Prepaid State Tax rates must continue to be collected by the licensed distributor on all sales of motor fuel sold to any purchaser not licensed as a Georgia distributor:

<u>Motor Fuel Type</u>	<u>3% Prepaid State Tax Rate (State, County & Municipalities Only)</u>		<u>4% Prepaid State Tax Rate (All Other Motor Fuel Sales)</u>	
1. Gasoline	\$0.097	¢ Per/Gal.	\$0.129	¢ Per/Gal.
2. Diesel (Clear/Dyed)	\$0.108	¢ Per/Gal.	\$0.143	¢ Per/Gal.
3. Aviation Gasoline	\$0.135	¢ Per/Gal.	\$0.179	¢ Per/Gal.
4. L.P.G.	\$0.058	¢ Per/Gal.	\$0.078	¢ Per/Gal.
5. Special Fuels (includes CNG)	\$0.095	¢ Per/Gal.	\$0.127	¢ Per/Gal.

FOR MORE INFORMATION

The Prepaid State Tax Rates are published semi-annually and are posted to the Department of Revenue web site in May and November of each year, or more frequently, if a revision is required due to a 25% change in the average selling price of any motor fuel during the tax period. Should you have any questions regarding this bulletin, please contact the Motor Fuel Tax Unit at (404) 417-6712, or visit the Department's Website at www.etax.dor.ga.gov. Persons with hearing or speech impairments may call our TDD line at (404) 417-4302.



THE STATE OF GEORGIA

EXECUTIVE ORDER

BY THE GOVERNOR:

- WHEREAS:** Motor fuels and aviation gasoline are essential commodities used by Georgians for transportation; and
- WHEREAS:** The price of gasoline has increased dramatically since the adjournment of the 2011 General Assembly; and
- WHEREAS:** The increases in the cost of gasoline and other motor fuels have and will continue to impose significant financial burdens on all Georgians and Georgia's businesses; and
- WHEREAS:** This inflated cost can prevent Georgians from spending on other necessary goods and business expansion; and
- WHEREAS:** The significant increase in motor fuel prices will result in a windfall to the State in the form of surplus state taxes on these commodities; and
- WHEREAS:** Georgia law authorizes the Governor to suspend the collection of taxes, or any part thereof, due the state until the meeting of the next General Assembly; and
- WHEREAS:** Under these circumstances, relief to the taxpayers of Georgia is warranted.

NOW, THEREFORE, PURSUANT TO THE AUTHORITY VESTED IN ME A GOVERNOR OF THE STATE OF GEORGIA, AND BY SECTION 45-12-22 OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, IT IS HEREBY

- ORDERED:** That the collection of any rate of prepaid state taxes as defined in paragraph (5.1) of Section 48-8-2 of the Official Code of Georgia Annotated, to the extent it differs from the rate levied as of May 1, 2011 pursuant to Section 48-9-14 of the Official Code of Georgia Annotated, be suspended as it applies to sales of motor fuel and aviation gasoline as those terms are defined in Section 48-9-2 of the Official Code of Georgia Annotated, ending the last moment of December 31, 2011.

This 23 day of June, 2011.

Nathan Deal

GOVERNOR