

STATE TAX UPDATES

CALIFORNIA

Effective November 1, 2018, California's excise tax on gasoline will increase to \$0.417 per gallon and the excise tax on diesel will increase to \$0.36 per gallon. Gasoline and diesel that has been removed from terminal storage prior to November 1, 2017 and is held in non-bulk storage will be subject to a floor stocks tax, to be filed and remitted by January 1, 2018.

In addition to the excise tax, the prepaid and retail sales taxes on diesel fuel will also increase effective November 1, 2017. The prepaid sales tax will increase to \$0.25 per gallon and the statewide retail sales tax will increase to 13%.

There are no changes to the taxes on jet fuel or aviation gasoline.

The tables below are from the official Board of Equalization notice:

| Excise Tax Rates Per Gallon | | |
|--------------------------------|--------------------------|-----------------------------|
| Type of Fuel | Through October 31, 2017 | Effective November 1, 2017 |
| Gasoline (Motor vehicle fuel) | 29.7 cents (\$0.297) | 41.7 cents (\$0.417) |
| Aircraft jet fuel ¹ | 2 cents (\$0.02) | 2 cents (\$0.02) |
| Diesel fuel | 16 cents (\$0.16) | 36 cents (\$0.36) |
| Aviation Gasoline ¹ | 18 cents (\$0.18) | 18 cents (\$0.18) |

¹ Excise taxes on aircraft jet fuel and aviation gasoline are not subject to SB 1 rate increase.

| Sales and Use Tax Rates | | | | |
|-------------------------|-----------------------|-----------------------|---------------------------------|-----------------------------------|
| Type of Fuel | Prepayment per Gallon | Prepayment per Gallon | Sales and Use Tax Rates Through | Sales and Use Tax Rates Effective |

| | Through October 31, 2017 | Effective November 1, 2017 | October 31, 2017* | November 1, 2017* |
|--|-----------------------------|-------------------------------|----------------------|----------------------|
| Gasoline ¹ (Motor vehicle fuel) | 5 cents (\$0.05) | 5 cents (\$0.05) | 2.25% | 2.25% |
| Aircraft jet fuel ¹ | 8.5 cents (\$0.085) | 8.5 cents (\$0.085) | 7.25% | 7.25% |
| Diesel fuel | 18 cents (\$0.18) | 25 cents (\$0.25) | 9.00% | 13.00% |
| Aviation Gasoline ¹ | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

* You must add district taxes where applicable. District tax rates for your area are available on our website at www.cdtfa.ca.gov.

¹ SB 1 only increases the sales and use tax rate on retail sales of diesel fuel.

INDIANA

Indiana has set the gasoline use tax rate for the period October 1 – October 31, 2017 at \$0.134 per gallon. The rate is adjusted monthly.

MASSACHUSETTS

Massachusetts has announced tax rates for 4Q 2017. 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 | \$0.255 per gallon |
| LPG and Propane | \$0.132 per gallon |
| Jet Fuel | \$0.075 per gallon |

MICHIGAN

Effective October 1, 2017 Michigan's prepaid sales tax on gasoline will be \$0.125 per gallon and the prepaid sales tax on diesel will be \$0.132 per gallon. These rates are adjusted monthly and typically announced at the beginning of the prior month.

NEW JERSEY

New Jersey's petroleum products gross receipts tax rates for the period July 1, 2017 – September 30, 2017 have been set at \$0.266 per gallon for gasoline and LPG, \$0.307 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: http://www.state.nj.us/treasury/taxation/pdf/other_forms/petroleum/Petroleumgrossstax.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 October 1, 2017 – December 31, 2017. The average wholesale prices are \$1.556 per gallon for gasoline, \$1.537 per gallon for diesel and \$0.619 per gallon for propane. With the PAT rate set at \$0.0065, this makes the PAT for the fourth quarter of 2017 \$0.010114 per gallon for gasoline, \$0.009991 per gallon for diesel and \$0.0040235 per gallon for propane.

