



## INDIANA DEPARTMENT OF REVENUE

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Eric J. Holcomb, Governor  
Adam J. Krupp, Commissioner

Indiana Government Center  
100 N. Senate Ave, Rm 248  
Indianapolis, IN 46204-2253

**TO:** IFTA, Inc.

**FROM:** Indiana Department of Revenue

**RE:** Indiana Fuel Taxation Changes

**DATE:** August 24, 2018

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### I. Introduction

During the 2018 legislative session, a series of changes to Indiana's motor carrier fuel tax laws were enacted. The Indiana General Assembly repealed Indiana's Surcharge Tax. Therefore, as of July 1, 2018, the Surcharge Tax for special fuel (diesel, CNG, LNG, and biodiesel) and gasoline (gasoline, gasohol, ethanol, methanol, E-85, M-85, and A-55) is \$0.00. The Motor Carrier Fuel Tax ("MCFT") rate for special fuel is \$0.48 per gallon, and the rate for gasoline is \$0.29 per gallon.

This memo is a high-level overview of Indiana's legislative changes and explains these changes to the rates listed in the IFTA tax rate matrix.

### II. Overview of Legislative Changes

The Indiana General Assembly repealed Indiana's Surcharge Tax. For most fuel types, motor carriers will still be allowed a tax-paid credit on their quarterly fuel tax returns for excise taxes paid at Indiana pumps for special fuel and gasoline.

The collection of the MCFT on the consumption of propane and butane (referred to as "alternative fuel" in Indiana) is still done entirely through a motor carrier's quarterly fuel tax return, because no Indiana fuel excise tax is paid on the purchase of the alternative fuel at the time of purchase in Indiana. As such, Indiana still requires that a separate line be available so that users of propane and butane cannot claim a tax-paid credit. The rate in this line is \$0.48 per gallon.

No changes were made to the collection point(s) for Indiana's MCFT. As a result, the availability of a tax-paid credit against a motor carrier's MCFT liability for gasoline and special fuel remains unchanged.

The following chart indicates whether a tax-paid credit is available for each fuel type and each tax:

### Tax-Paid Credit based on Fuel Type

Tax	Gasoline (gasoline, gasohol, ethanol, methanol, E- 85, M-85, and A-55)	Special Fuels (diesel, CNG, LNG, and biodiesel)	Propane
MCFT	Tax-Paid Credit	Tax-Paid Credit	No Tax-Paid Credit

### III. Rate Changes on IFTA Matrix

Currently, member jurisdictions provide two lines for Indiana on the quarterly return. The first line is programmed to allow for a tax-paid credit when calculating a licensee’s tax liability; the second line is not programmed to factor in such a credit. To simplify reporting and reduce complications, the rates for all taxes and fuel types with a tax-paid credit will be on the first line; the rates for fuel type with no such credit provided will be on the second line. The IFTA rate matrix below reflects the following rates:

#### IFTA Rate Matrix

	Gasoline (gasoline, gasohol, ethanol, methanol, E-85, M-85, and A-55)	Special Fuels (diesel, CNG, LNG, and biodiesel)	Propane
Line 1 – Indiana (IN)	\$0.29 per gallon	\$0.48 per gallon	N/A
Line 2 – Indiana (IN) <i>(MCFT on Alternative Fuel)</i>	N/A	N/A	\$0.48 per gallon

### IV. Conclusion

Jurisdictions or motor carriers who have questions or concerns may contact the Department at 317-615-7345, Monday through Friday, 8 a.m. – 4:30 p.m. EST or by email at [IndianaMotorFuel@dor.IN.gov](mailto:IndianaMotorFuel@dor.IN.gov).

Sincerely,

Indiana Department of Revenue  
Motor Carrier Services Division