

# STATE of INDIANA

DEPARTMENT OF REVENUE  
INDIANA GOVERNMENT CENTER NORTH  
100 N. SENATE AVE



INDIANAPOLIS, IN 46204-2253

## DEPARTMENTAL NOTICE #43 MAY 2017

**SUBJECT: RATES FOR THE GASOLINE LICENSE TAX, SPECIAL FUEL  
LICENSE TAX, AND MOTOR CARRIER SURCHARGE TAX**

**REFERENCE:** IC 6-6-1.1-201; IC 6-6-1.6-2; IC 6-6-2.5-28; IC 6-6-4.1-4.5

**DISCLAIMER:** This document is not a “statement” required to be published in the Indiana Register under IC 4-22-7-7. However, under IC 6-6-1.1-201, IC 6-6-2.5-28, and IC 6-6-4.1-4.5, the department is required to publish the respective tax rates on the department’s Internet website no later than June 1. The purpose of this notice is to notify affected taxpayers of the change in rate on the department’s Internet website.

### BACKGROUND

Pursuant to HEA 1002-2017, the department is required to publish updated rates for gasoline license tax, special fuel license tax, and motor carrier surcharge tax. Under IC 6-6-1.1-201(b), IC 6-6-2.5-28(b), and IC 6-6-4.1-4.5(b), new rates are to be determined by applying formulas set forth under IC 6-6-1.6.

For 2017, the formulas set forth under IC 6-6-1.6-2 require the department to use annual factors being in place from the beginning of the period set forth by statute (2003 for gasoline, 1989 for special fuel and motor carrier surcharge) to compute an annual rate change. Each year’s rate change is to be computed by first computing the change in the Consumer Price Index as defined by IC 6-6-1.6-1(1). Second, the annual change in Indiana Personal Income (IPI), as determined by the Bureau of Economic Analysis, United States Department of Commerce, is computed. Third, the two changes are averaged to determine an overall rate of change. Fourth, the overall rate of change is applied to the previous year’s tax rate as if the statutory formula had been in effect for all years of the stated period, rounded to the nearest whole cent.

Each tax as computed on July 1, 2017, is subject to a statutory maximum amount, as set forth for each respective tax type.

### STATUTORY CALCULATION OF THE GASOLINE LICENSE TAX RATE

For the period July 1, 2017, to June 30, 2018, the gasoline license tax is twenty-eight cents (\$0.28) per gallon. The computation by statute is set forth in Appendix A;

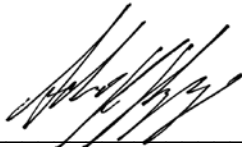
However, because the statutory maximum rate is less than the rate computed below, the statutory maximum rate under IC 6-6-1.1-201(b)(2)(B) controls.

#### **STATUTORY CALCULATION OF THE SPECIAL FUEL LICENSE TAX RATE**

For the period July 1, 2017, to June 30, 2018, the special fuel license tax is twenty-six cents (\$0.26) per special fuel gallon. The computation by statute is set forth in Appendix B; However, because the statutory maximum rate is less than the rate computed below, the statutory maximum rate under IC 6-6-2.5-28(b)(2)(B) controls.

#### **STATUTORY CALCULATION OF THE MOTOR FUEL SURCHARGE TAX RATE**

For the period July 1, 2017, to June 30, 2018, the motor fuel surcharge tax is twenty-one cents (\$0.21) per surcharge gallon. The computation by statute is set forth in Appendix C; However, because the statutory maximum rate is less than the rate computed below, the statutory maximum rate under IC 6-6-4.1-4.5(b)(2)(B) controls.



---

Adam J. Krupp  
Commissioner  
Indiana Department of State Revenue

## APPENDIX A: GASOLINE LICENSE RATE CHANGE COMPUTATION

Year	CPI-U <sup>1</sup>	% Chg	IPI (thousands of dollars)	% Chg	Sum of % Chgs	Avg. of % Chgs	Adjusted Rate	Rounded Adj. Rate
<b>2002</b>	179.88		\$178,158,904				\$ 0.18000	\$0.18
<b>2003</b>	183.96	2.27%	\$182,215,699	2.28%	4.55%	2.27%	\$ 0.18409	\$0.18
<b>2004</b>	188.88	2.68%	\$189,976,741	4.26%	6.94%	3.47%	\$ 0.18624	\$0.19
<b>2005</b>	195.29	3.39%	\$195,121,894	2.71%	6.10%	3.05%	\$ 0.19580	\$0.20
<b>2006</b>	201.59	3.23%	\$207,376,568	6.28%	9.51%	4.75%	\$ 0.20951	\$0.21
<b>2007</b>	207.34	2.85%	\$215,098,965	3.72%	6.58%	3.29%	\$ 0.21691	\$0.22
<b>2008</b>	215.30	3.84%	\$225,759,917	4.96%	8.80%	4.40%	\$ 0.22967	\$0.23
<b>2009</b>	214.54	-0.36%	\$220,157,359	-2.48%	-2.84%	-1.42%	\$ 0.22674	\$0.23
<b>2010</b>	218.06	1.64%	\$227,692,069	3.42%	5.06%	2.53%	\$ 0.23582	\$0.24
<b>2011</b>	224.94	3.16%	\$242,797,724	6.63%	9.79%	4.90%	\$ 0.25175	\$0.25
<b>2012</b>	229.59	2.07%	\$253,770,962	4.52%	6.59%	3.29%	\$ 0.25824	\$0.26
<b>2013</b>	232.96	1.46%	\$257,170,310	1.34%	2.80%	1.40%	\$ 0.26365	\$0.26
<b>2014</b>	236.74	1.62%	\$266,952,598	3.80%	5.43%	2.71%	\$ 0.26705	\$0.27
<b>2015</b>	237.02	0.12%	\$277,628,668	4.00%	4.12%	2.06%	\$ 0.27556	\$0.28
<b>2016</b>	240.01	1.26%	\$288,486,493 <sup>2</sup>	3.91%	5.17%	2.59%	\$ 0.28724	\$0.29

<sup>1</sup> All amounts are rounded in this document for purposes of presentation. Any percentage change computations and related calculations may differ slightly due to the actual use of unrounded data.

<sup>2</sup> According to the Bureau of Economic Analysis website, as of May 5, 2017, this amount was \$288,486,508. However, for prior years, the mean of the four quarterly amounts for Indiana Personal Income was used to determine the annual Indiana Personal Income. The mean of the four quarters of Indiana Personal Income for calendar year 2016 was \$288,486,493. The difference is not material to any of the calculations.

## APPENDIX B: SPECIAL FUEL LICENSE RATE COMPUTATION

Year	CPI-U	% Chg	IPI (thousands of dollars)	% Chg	Sum of % Chgs	Avg. of % Chgs	Adjusted Rate	Rounded Adj. Rate
<b>1988</b>	118.26		\$85,438,311					\$0.16
<b>1989</b>	123.97	4.83%	\$93,122,680	8.99%	13.82%	6.91%	\$ 0.17106	\$0.17
<b>1990</b>	130.66	5.40%	\$98,288,101	5.55%	10.94%	5.47%	\$ 0.17930	\$0.18
<b>1991</b>	136.19	4.23%	\$101,120,415	2.88%	7.12%	3.56%	\$ 0.18640	\$0.19
<b>1992</b>	140.32	3.03%	\$109,582,337	8.37%	11.40%	5.70%	\$ 0.20083	\$0.20
<b>1993</b>	144.46	2.95%	\$115,567,139	5.46%	8.41%	4.21%	\$ 0.20841	\$0.21
<b>1994</b>	148.23	2.61%	\$122,830,283	6.28%	8.89%	4.45%	\$ 0.21934	\$0.22
<b>1995</b>	152.38	2.81%	\$128,383,921	4.52%	7.33%	3.66%	\$ 0.22806	\$0.23
<b>1996</b>	156.85	2.93%	\$135,673,335	5.68%	8.61%	4.30%	\$ 0.23990	\$0.24
<b>1997</b>	160.52	2.34%	\$142,738,061	5.21%	7.54%	3.77%	\$ 0.24905	\$0.25
<b>1998</b>	163.01	1.55%	\$154,164,390	8.01%	9.56%	4.78%	\$ 0.26195	\$0.26
<b>1999</b>	166.58	2.19%	\$160,634,031	4.20%	6.38%	3.19%	\$ 0.26830	\$0.27
<b>2000</b>	172.20	3.38%	\$171,538,788	6.79%	10.17%	5.08%	\$ 0.28372	\$0.28
<b>2001</b>	177.07	2.83%	\$175,890,307	2.54%	5.36%	2.68%	\$ 0.28751	\$0.29
<b>2002</b>	179.88	1.59%	\$178,158,904	1.29%	2.88%	1.44%	\$ 0.29417	\$0.29
<b>2003</b>	183.96	2.27%	\$182,215,699	2.28%	4.55%	2.27%	\$ 0.29659	\$0.30
<b>2004</b>	188.88	2.68%	\$189,976,741	4.26%	6.94%	3.47%	\$ 0.31040	\$0.31
<b>2005</b>	195.29	3.39%	\$195,121,894	2.71%	6.10%	3.05%	\$ 0.31946	\$0.32
<b>2006</b>	201.59	3.23%	\$207,376,568	6.28%	9.51%	4.75%	\$ 0.33521	\$0.34
<b>2007</b>	207.34	2.85%	\$215,098,965	3.72%	6.58%	3.29%	\$ 0.35118	\$0.35
<b>2008</b>	215.30	3.84%	\$225,759,917	4.96%	8.80%	4.40%	\$ 0.36539	\$0.37
<b>2009</b>	214.54	-0.36%	\$220,157,359	-2.48%	-2.84%	-1.42%	\$ 0.36475	\$0.36
<b>2010</b>	218.06	1.64%	\$227,692,069	3.42%	5.06%	2.53%	\$ 0.36911	\$0.37
<b>2011</b>	224.94	3.16%	\$242,797,724	6.63%	9.79%	4.90%	\$ 0.38811	\$0.39
<b>2012</b>	229.59	2.07%	\$253,770,962	4.52%	6.59%	3.29%	\$ 0.40285	\$0.40
<b>2013</b>	232.96	1.46%	\$257,170,310	1.34%	2.80%	1.40%	\$ 0.40561	\$0.41
<b>2014</b>	236.74	1.62%	\$266,952,598	3.80%	5.43%	2.71%	\$ 0.42112	\$0.42
<b>2015</b>	237.02	0.12%	\$277,628,668	4.00%	4.12%	2.06%	\$ 0.42865	\$0.43
<b>2016</b>	240.01	1.26%	\$288,486,493	3.91%	5.17%	2.59%	\$ 0.44112	\$0.44

# APPENDIX C: MOTOR CARRIER SURCHARGE RATE COMPUTATION

Year	CPI-U	% Chg	IPI (thousands of dollars)	% Chg	Sum of % Chgs	Avg. of % Chgs	Adjusted Rate	Rounded Adj. Rate
1988	118.26		\$85,438,311					\$0.11
1989	123.97	4.83%	\$93,122,680	8.99%	13.82%	6.91%	\$ 0.11760	\$0.12
1990	130.66	5.40%	\$98,288,101	5.55%	10.94%	5.47%	\$ 0.12657	\$0.13
1991	136.19	4.23%	\$101,120,415	2.88%	7.12%	3.56%	\$ 0.13463	\$0.13
1992	140.32	3.03%	\$109,582,337	8.37%	11.40%	5.70%	\$ 0.13741	\$0.14
1993	144.46	2.95%	\$115,567,139	5.46%	8.41%	4.21%	\$ 0.14589	\$0.15
1994	148.23	2.61%	\$122,830,283	6.28%	8.89%	4.45%	\$ 0.15667	\$0.16
1995	152.38	2.81%	\$128,383,921	4.52%	7.33%	3.66%	\$ 0.16586	\$0.17
1996	156.85	2.93%	\$135,673,335	5.68%	8.61%	4.30%	\$ 0.17732	\$0.18
1997	160.52	2.34%	\$142,738,061	5.21%	7.54%	3.77%	\$ 0.18679	\$0.19
1998	163.01	1.55%	\$154,164,390	8.01%	9.56%	4.78%	\$ 0.19908	\$0.20
1999	166.58	2.19%	\$160,634,031	4.20%	6.38%	3.19%	\$ 0.20638	\$0.21
2000	172.20	3.38%	\$171,538,788	6.79%	10.17%	5.08%	\$ 0.22067	\$0.22
2001	177.07	2.83%	\$175,890,307	2.54%	5.36%	2.68%	\$ 0.22590	\$0.23
2002	179.88	1.59%	\$178,158,904	1.29%	2.88%	1.44%	\$ 0.23331	\$0.23
2003	183.96	2.27%	\$182,215,699	2.28%	4.55%	2.27%	\$ 0.23523	\$0.24
2004	188.88	2.68%	\$189,976,741	4.26%	6.94%	3.47%	\$ 0.24832	\$0.25
2005	195.29	3.39%	\$195,121,894	2.71%	6.10%	3.05%	\$ 0.25763	\$0.26
2006	201.59	3.23%	\$207,376,568	6.28%	9.51%	4.75%	\$ 0.27236	\$0.27
2007	207.34	2.85%	\$215,098,965	3.72%	6.58%	3.29%	\$ 0.27888	\$0.28
2008	215.30	3.84%	\$225,759,917	4.96%	8.80%	4.40%	\$ 0.29231	\$0.29
2009	214.54	-0.36%	\$220,157,359	-2.48%	-2.84%	-1.42%	\$ 0.28589	\$0.29
2010	218.06	1.64%	\$227,692,069	3.42%	5.06%	2.53%	\$ 0.29734	\$0.30
2011	224.94	3.16%	\$242,797,724	6.63%	9.79%	4.90%	\$ 0.31469	\$0.31
2012	229.59	2.07%	\$253,770,962	4.52%	6.59%	3.29%	\$ 0.32021	\$0.32
2013	232.96	1.46%	\$257,170,310	1.34%	2.80%	1.40%	\$ 0.32449	\$0.32
2014	236.74	1.62%	\$266,952,598	3.80%	5.43%	2.71%	\$ 0.32868	\$0.33
2015	237.02	0.12%	\$277,628,668	4.00%	4.12%	2.06%	\$ 0.33679	\$0.34
2016	240.01	1.26%	\$288,486,493	3.91%	5.17%	2.59%	\$ 0.34879	\$0.35