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NOTICE

Gasoline and Undyed Diesel Fuel Excise Tax Law Changes

On March 12, 2019, Governor Kay Ivey signed into law Act 2019-2 also known as the Rebuild Alabama Act which levies an additional excise tax on gasoline and undyed diesel effective September 1, 2019. The changes made regarding the Rebuild Alabama Act are summarized below.

Tax Increase

Effective September 1, 2019, the gasoline and undyed diesel excise taxes will increase by \$.06 per gallon to \$.24 per gallon for gasoline and to \$.25 per gallon for undyed diesel.

Additional Tax Increases/Indexing

Act 2019-2 also provides for the following additional excise tax rate increases/indexing:

- Effective October 1, 2020 (bringing Act 2019-2 total additional tax to \$0.08)
 - Additional \$0.02 gasoline tax
 - Additional \$0.02 diesel tax
- Effective October 1, 2021 (bringing Act 2019-2 total additional tax to \$0.10)
 - Additional \$0.02 gasoline tax
 - Additional \$0.02 diesel tax
- Effective October 1, 2023 and on July 1 of every other year thereafter
 - The gasoline and undyed diesel excise tax rate will be adjusted by the percentage change in the yearly average of the National Highway Construction Cost Index and rounded to the nearest whole cent with the increase or decrease of the excise tax rate not exceeding \$.01 per gallon.

Tax Return Due Date

The due date of the return and payment for all motor fuel taxes, other than the 3-day voucher and payment as required in Section 40-17-340(d), Code of Alabama, has been **changed from the 22nd to the 20th day of the month following the month in which the tax accrues**. This change applies to the Blender, Exporter, Importer, and Supplier returns and payments (Alabama Terminal Excise Tax Act 2011-565 and amendments). The due date for the September 2019 period returns and payments is October 21, 2019 (Oct. 20th is on a Sunday).

Floor-Stocks Tax

Any wholesale distributor holding motor fuel in inventory outside of the bulk transfer/terminal system on the effective date of each tax increase levied by this Act shall be liable for the additional excise tax. A floor-stocks tax return shall be filed and the tax paid on or before the last day of the third month following the tax increase. **The floor-stocks tax return and payment for the tax increase effective September 1, 2019 shall be due on or before December 31, 2019.**

Questions

If you have any questions pertaining to this notice, please contact this office at the address or telephone number shown below or via email at mft@revenue.alabama.gov.

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