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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 (the “Act”). The Act was codified in Title 40, Chapter 17, Articles 12 and 12A. Pursuant to the provisions of the Act, the following fuel tax rate changes and filing requirements will take effect on October 1, 2020.

Tax Increase

Per Section 40-17-370, Code of Alabama 1975, as amended, effective **October 1, 2020**, the gasoline and undyed diesel excise taxes will increase by \$.02 per gallon to \$.26 per gallon for gasoline and to \$.27 per gallon for undyed diesel.

Floor-Stocks Tax Return

Per Section 40-17-331, 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 the Rebuild Alabama Act will be liable for the additional excise tax. This does not include product located at a retail service station. A floor-stocks tax return must be filed and the tax paid on or before the last day of the third month following the tax increase. The new floor-stocks return can be accessed by typing “floor-stocks” in the search box on the department’s forms webpage at <https://revenue.alabama.gov/forms/>. This form must be filed manually with the department at the address below. A floor-stocks tax return is only due when there is activity to report. **The floor-stocks tax return and payment for the tax increase effective October 1, 2020 is due on or before February 1, 2021.**

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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