



Petroleum Transportation & Storage Association

COMPLIANCE BULLETIN

FEDERAL MOTOR FUEL EXCISE TAX RATES FOR 2006

The following federal excise tax rates for motor fuels include changes made in the tax code during 2005.

<i>PRODUCT</i>	<i>RATE</i>	<i>CENTS PER GAL</i>	
Gasoline	\$.184	18.4	cpg
Gasoline (removed for gasohol blending)	\$.184	18.4	cpg
Alcohol (for use in downstream gasohol blending)	\$.184	18.4	cpg
Aviation Gasoline	\$.194	19.4	cpg

Gasohol blends are taxed at the full federal rate for gasoline. A tax credit of 51 cpg (or 60 cpg if non-ethanol alcohol is used) is available on the amount of alcohol used in the blend.

Diesel (clear)	\$.244	24.4	cpg
Diesel (dyed)	\$.001	1/10 th	cpg
Diesel (used in trains (dyed))*	\$.024	2.4	cpg
Diesel (removed for blending with biodiesel)	\$.244	24.4	cpg
Biodiesel (removed for blending with diesel)	\$.244	24.4	cpg

Biodiesel blends are taxed at the full federal rate for diesel fuel. A credit of \$0.50 cpg is available on the amount of regular biodiesel used in the blend or \$1.00 per gallon for agri-biodiesel used in the blend.

Kerosene (clear)	\$.244	24.4	cpg
Kerosene (dyed)	\$.001	1/10 th	cpg
Kerosene (clear - non-commercial aviation)**	\$.219	21.9	cpg
Kerosene (clear - for use in non-taxable aviation)	\$.001	1/10 th	cpg
Kerosene (clear - for use in commercial aviation)	\$.044	4.4	cpg
Propane	\$.136	13.6	cpg
Compressed Natural Gas	\$.4854	48.54	P MCF
Inland waterway fuel use	\$.224	22.4	cpg

*This tax is paid by the railroads, NOT by petroleum marketers.

** Marketers pay \$.244 cpg at the rack, user's rate is \$.219, ultimate vendor claim is \$.025 cpg

Got Questions? Contact Mark Morgan at (202) 364-6767 or mmorganpts@cox.net

