
NOTICE

Monday, February 3, 2025

Gasoline and Undyed Diesel Fuel Excise Tax Increase

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 \$0.01 per gallon pursuant to the Rebuild Alabama Act.

Accordingly, effective **July 1, 2025**, the gasoline and undyed diesel excise taxes will **increase by \$0.01 per gallon** to \$0.30 per gallon for gasoline and to \$0.31 per gallon for undyed diesel.

Any wholesale distributor holding motor fuel in inventory outside of the bulk transfer/terminal system on the effective date of the tax increase will be liable for the additional excise tax and must file the required floor-stocks tax return and payment on or before **October 31, 2025**. This does not include product located at a retail service station. The floor-stocks return can be accessed by typing “floor-stocks” in the title search box at revenue.alabama.gov/forms/. A floor-stocks tax return is only due when there is activity to report, and the form must be filed manually at the address below.

Contact us if you have any questions about this notice.

Contact

Business and License Tax Division
Motor Fuels Section
P.O. Box 327540
Montgomery, AL 36132-7540
334-242-9608, option 6, option 1
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