Notice 2017-01
Gasoline Tax

Gasoline Tax

SECTION 1: PURPOSE

Once every two years, the Rhode Island Division of Taxation is required by statute to determine whether inflation has been sufficient to increase the gasoline tax. The Division of Taxation hereby provides advance notification that there shall be no inflation-adjustment increase in the gasoline tax as of July 1, 2017. Thus, absent any legislative change, the gasoline tax will remain unchanged, at 33 cents per gallon, as of July 1, 2017.

SECTION 2: DESCRIPTION

Legislation enacted on June 19, 2014, amended Rhode Island General Laws by requiring that the gasoline tax be adjusted every two years based on inflation. Specifically, the statute as amended requires that, beginning July 1, 2015, and every other year thereafter, the gasoline tax be adjusted by the percentage of increase, if any, in the consumer price index for all urban consumers (CPI-U), as published by the U.S. Bureau of Labor Statistics and determined as of September 30 of the prior calendar year. The adjustment must be rounded to the nearest one-cent increment.

The Division of Taxation has determined that, based on inflation as measured by the CPI-U for the applicable period, the gasoline tax shall remain unchanged as of July 1, 2017: The tax before rounding is applied is 33 cents a gallon, and the tax after rounding is applied is 33 cents a gallon, effective July 1, 2017. In other words, the gas tax shall remain unchanged (assuming no federal or state legislative change in the interim).

If this year’s biennial inflation adjustment computation had resulted in an increase, the increase would have applied to diesel and other motor fuels that meet the definition of “fuels” under Rhode Island General Laws § 31-36-1(4).

SECTION 3: CITATION

Rhode Island General Laws § 31-36-7.

SECTION 4: CONTACT PERSON

For questions about this notice, contact the Rhode Island Division of Taxation’s Excise Tax section by telephone at (401) 574-8955 between 8:30 a.m. and 3:30 p.m. business days, by email using the following address: Tax.Excise@tax.ri.gov, or by mail: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908.