

Ethanol in Mississippi

The Mississippi Gasoline Tax Law includes ethanol in its definition of “blend stock”. A “blender” is defined as any person or entity that either blends “blend stock” with gasoline or who sells or distributes blend stock for the purpose of being blended with gasoline. The definition of Distributor of Gasoline included “blenders”. (Section 27-55-5, Mississippi Code of 1972).

Therefore any person blending ethanol with gasoline or selling ethanol for the purpose of being blended with gasoline is required to obtain a Gasoline Distributors Permit and is subject to all requirements imposed on distributors of gasoline.

The Mississippi Gasoline Tax Law levies a tax of 18 cents per gallon on all gasoline and “blend stock” stored, sold, distributed, manufactured, refined, distilled, blended or compounded in this state or received in this state for sale, use on the highways, storage, distribution or for any purpose. (Section 27-55-11, Mississippi Code of 1972).

In addition, The Mississippi Gasoline Tax Law (Section 27-55-11, Mississippi Code of 1972) provides:

- The tax levied herein shall accrue on “blend stock” at the time it is blended with gasoline.
- The blender shall pay to the commission the tax levied herein when “blend stock” is sold or delivered to persons who do not hold gasoline distributors permits.
- The blender shall report to the commission all sales and deliveries of “blend stock” to bonded distributors of gasoline.
- The bonded distributor of gasoline who purchases, receives or acquires “blend stock” from a blender in this state shall report such “blend stock” and pay the tax levied herein.

This means the 18 cent per gallon Gasoline Tax is due upon all ethanol manufactured, distilled, stored, distributed or sold in Mississippi. In addition, the seller is required to pay the tax on all sales and deliveries to persons not licensed as Gasoline Distributors in this state and to report to the Tax Commission all sales and deliveries to persons licensed as Gasoline Distributors.

Any person selling ethanol in this state for the purpose of being blended with gasoline is required to report such sales in the manner set forth below.

Ethanol sold to persons not licensed as Gasoline Distributors should be reported on Schedule 2B using Product Code 123.

Ethanol sold for export from the State of Mississippi should be reported on Schedule 2B and on Schedule 7 (exports) using Product Code 123.

Ethanol sold to persons holding Mississippi Gasoline Distributors Permits should be reported on Schedule 2X using Product Code 123.

Ethanol purchased, received or otherwise acquired by anyone holding a Mississippi Gasoline Distributors Permit should be reported on Schedule 2B using Product Code 123.

Please direct any questions to the Petroleum Tax Bureau, Mississippi State Tax Commission at 601-923-7150 or petroleu@mstc.state.ms.us