



# MISSISSIPPI DEPARTMENT OF REVENUE

## Petroleum Tax Bureau

April 11, 2025

### NOTICE TO ALL MOTOR FUEL DISTRIBUTORS REGARDING CHANGE IN EXCISE TAX RATE ON GASOLINE AND UNDYED DIESEL

House Bill 1 of the 2025 Regular Session of the Mississippi Legislature made the following changes:

The excise tax on Gasoline and Undyed diesel will be increased as follows:

Period	Excise Tax Rate Per Gallon
Through June 30, 2025	18 cents
July 1, 2025 through June 30, 2026	21 cents
July 1, 2026 through June 30, 2027	24 cents
July 1, 2027 forward	27 cents

**Note: The rate changes listed above only apply to Automotive Gasoline and Undyed Diesel.**

Beginning July 1, 2029, and July 1 of every other year thereafter, the excise tax rates on fuels may be adjusted with a maximum increase of 1 cent per gallon per year. The adjustment is based on the percent change in the yearly average of the National Highway Construction Cost Index (NHCCI). The following excise taxes are subject to these rate changes beginning July 1, 2029:

- Automotive Gasoline
- Aviation Gasoline
- Undyed Diesel
- Dyed Diesel
- Kerosene
- Fuel Oil
- Jet Fuel

DOR shall notify licensed distributors of the tax rate adjustment before March 1 of each year to allow distributors time to adjust for the new rates.

A Motor Fuel Floor-Stocks Tax Return will be required for all distributors with tax paid inventory at the \$0.18 rate and resold after June 30, 2025 at the \$0.21 rate.

If you have questions related to Motor Fuel Tax, please contact our Petroleum Tax Bureau at (601) 923-7150.