

EMA Regulatory Reminder: 2026 Federal Motor Fuel Excise Tax Rates and Credits -- WHAT'S NEW?

Superfund Tax: The Superfund tax was reinstated on crude oil received at refineries and on imported petroleum products, beginning on January 1, 2023, by the Inflation Reduction Act. Until December 31, 2025, the Superfund tax rate is the sum of the Hazardous Substance Superfund rate and the Oil Spill Liability Trust Fund financing rate. **The Oil Spill Liability Trust Fund tax expires on December 31, 2025, and has not been renewed by Congress. Unless legislation is enacted in 2026, only the Hazardous Substance Superfund tax will be payable to the IRS.**

For calendar years beginning in 2024, the Hazardous Substance Superfund financing rate is adjusted for inflation. For calendar year 2026, the Hazardous Substance Superfund tax rate is \$0.18 cents per barrel.

The Superfund tax is paid by refiners and crude oil and finished product importers. While no party below the terminal rack is liable for the Superfund tax, refiners and importers pass the fee down as a cost folded into the wholesale rack price of petroleum products — not as a tax. Marketers are not required to break this fee out as a “tax” on their invoices or contract bids. Note that the Superfund rate is not refundable to any party along the petroleum refining and distribution chain. Marketers with questions should consult with their suppliers.

Highway Trust Tax: The Federal government collects revenue for the Highway Trust Fund primarily from excise taxes on motor fuels. Federal taxes include excises taxes of 18.3 cents per gallon on gasoline and 24.3 cents per gallon on diesel fuel, plus a Leaking Underground Storage Tank (LUST) tax of 0.1 cents per gallon on both fuels. The Table below *includes* the excise taxes collected from this program, including the total 18.4 cents per gallon tax on gasoline and the 24.4 cents per gallon tax on diesel fuel.

Lust Tax: The LUST tax applied to motor fuels is non-refundable, for which tax-exempt parties are required to pay the .001 cents per gallon. The Table below *includes* rates for the .001 cents per gallon non-refundable LUST tax imposed on both dyed and clear liquid fuel:

| Product | Rate | Cents Per/Gal |
|---|--------|------------------------|
| Gasoline | \$.184 | 18.4 cpg |
| Gasoline (removed for alcohol blending) | \$.184 | 18.4 cpg |
| Alcohol (for use in downstream gasoline blending) | \$.184 | 18.4 cpg |
| Aviation Gasoline | \$.194 | 19.4 cpg |
| Heating Oil | \$.001 | 1/10 th cpg |
| Diesel (clear) | \$.244 | 24.4 cpg |

| Product | Rate | Cents Per/Gal |
|---|-------------|--------------------------|
| Diesel (dyed) | \$.001 | 1/10 th cpg |
| Diesel (dyed used in trains) * | \$.001 | 1/10 th cpg |
| Diesel (removed for blending with biodiesel) | \$.244 | 24.4 cpg |
| Diesel (used in certain intercity and local buses) | \$ 0.17 | 17.0 cpg |
| Biodiesel (removed for blending with diesel) | \$.244 | 24.4 cpg |
| 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 not foreign trade) | \$.044 | 4.4 cpg |
| Alternative Fuels - On Highway Use in a Motor Vehicle | | |
| Propane (liquefied propane gas) (gasoline gallon equivalent) *** | \$.183 | 18.3 cpg |
| Compressed Natural Gas (CNG) (gasoline gallon equivalent) *** | \$.183 | 18.3 cpg |
| Liquefied Natural Gas (diesel fuel gallon equivalent) *** | \$.243 | 24.3 cpg |
| "P" Series Fuels | \$.184 | 18.4 cpg |
| Liquefied Fuel (derived from biomass) | \$.244 | 24.4 cpg |

Notes

*This tax is paid by the railroads, NOT by the ultimate vendor.

** Marketers pay \$.244 cpg at the rack, user's rate is \$.219. Ultimate vendor claim is 2.5 cpg. The ultimate vendor is the only party that can make the claim for the 2.5 cpg. Ultimate vendor must have a certificate from the ultimate purchaser verifying the fuel is used for non-commercial aviation. Ultimate vendor must have an IRS 637 UA registration to file claim.

***For taxation purposes, one gasoline gallon equivalent (GGE) is equal to 5.75 pounds (lbs.) of propane and 5.66 lbs. of CNG. One diesel gallon equivalence (DGE) is equal to 6.06 lbs. of LNG. (Reference 26 [U.S. Code](#) 4041 and 4081).