FINANCE AND ADMINISTRATION
Department of Revenue
(Emergency Amended at ARRS Committee)

103 KAR 43:341E. Excise taxes on gasoline and special fuels; average wholesale price of gasoline and annual survey value.

RELATES TO: KRS 131.020, 131.130, 138.210, 138.220,138.226,138.228,138.290
STATUTORY AUTHORITY: KRS 11.065, 12.020, 12.040, 12.050, 12.250, 12.270, 42.012, 45.301, 131.020, 131.130, 138.210, 138.220, 138.226,138.228
CERTIFICATION STATEMENT:
NECESSITY, FUNCTION, AND CONFORMITY: KRS 138.226 requires the Department of Revenue to administer the taxes provided under KRS 138.210 to 138.490 and authorizes the Department of Revenue to prescribe and adopt administrative regulations relating to the administration of those taxes. The department determines and adjusts the average wholesale price of gasoline rounded to the nearest one-tenth of one cent ($0.001) used for calculating the excises taxes imposed under KRS 138.220 to be paid by a dealer receiving gasoline or special fuel. This emergency administrative regulation establishes the average wholesale price of gasoline as determined by the department effective July 1, 2026, and is being promulgated to meet an imminent threat to the public health, safety, or welfare.

Section 1. Definitions.
(1) "Annual survey value" is defined by KRS 138.210(3)
(2) "Average wholesale price" is defined by KRS 138.210(4).
(3) "Dealer" is defined by KRS 138.210(6).
(4) "Gasoline" is defined by KRS 138.210(11).
(5) "Received" is defined by KRS 138.210(15).
(6) "Special fuels" is defined by KRS 138.210(18).

Section 2. Average Wholesale Price of Gasoline and Annual Survey Value. Effective July 1, 2026, the average wholesale price of gasoline and the annual survey value under KRS 138.228 shall be two dollars and twenty-two and seven-tenths cents ($2.227) per gallon, which is the average wholesale price of gasoline and the annual survey value for fiscal year 2025-2026.

Section 3. Excise Taxes on Gasoline. Effective July 1, 2026, the excise tax imposed under KRS 138.220 on gasoline, including liquified petroleum, received in this State shall be twenty cents ($0.20) per gallon, which is the excise tax on gasoline, including liquified petroleum in effect during fiscal year 2025-2026. When combined with the five cents ($0.05) per gallon supplemental highway user motor fuel tax and the one point four cents ($0.014) per gallon petroleum environmental assurance fee, the total state tax on gasoline is twenty-six and four-tenths cents ($0.264) per gallon.

Section 4. Excise Taxes on Diesel Fuel and Other Special Fuel. Effective July 1, 2026, the excise tax imposed under KRS 138.220 on special fuel received in this State shall be twenty cents ($0.20) per gallon, which is the excise tax on special fuel in effect during fiscal year 2025-2026 during fiscal year 2025-2026. When combined with the two cents ($0.02) per gallon supplemental highway user motor fuel tax and the one point four cents ($0.014) per gallon petroleum environmental assurance fee, the total state tax on special fuel is twenty-three and four-tenths cents ($0.234) per gallon.

Section 5. Relief from Penalties. A dealer shall not be found in violation of the reporting requirements under KRS 138.240 to 138.260, or subject to the civil penalties imposed under KRS 138.290, for computing and reporting the gasoline and special fuel tax and supplemental highway user motor fuel tax imposed under KRS 138.220 in accordance with this administrative regulation.

Section 6. This emergency administrative regulation shall last until the end of the Iran war or when gas prices drop below three (3) dollars per gallon, whichever occurs later in time, or in accordance with KRS 13A.190(4)(a).

FILED WITH LRC: July 8, 2026

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