



Maryland Motor Fuel Tax Rate Changes

Effective July 1, 2026

I. Critical Dates

June 30, 2026: Take inventory of tax-paid fuel at the close of business.

July 30, 2026: Report and pay additional tax with Form 779.

II. General Information

Effective July 1, 2026, the combined applicable tax rate for gasoline will be 46.60 cents per gallon and the combined applicable tax rate for special fuels will be 47.45 cents per gallon. All persons possessing tax-paid motor fuel at the start of business on July 1, 2026, must compile and file an inventory of the motor fuel held at the close of business on June 30, 2026, and remit any additional motor fuel tax that is due as a result of the rate increase. This tax alert provides additional information on the specific rate changes by fuel type and floor tax reporting requirements for persons holding tax-paid motor fuel.

III. Applicability of Motor Fuel Tax

Sales of gasoline other than aviation gasoline, special fuel other than clean burning fuel, and clean burning fuel in the State are subject to both the motor fuel tax and the sales and use tax equivalent rate. The sum of the motor fuel tax rate, the Consumer Price Index (CPI) cumulative effect adjustment, and the sales and use tax equivalent rate is called the combined applicable rate. Aviation gasoline and turbine fuel are subject to the motor fuel tax only, at a special rate.

IV. Motor Fuel Tax Rate Changes

In accordance with Maryland law¹, the Comptroller's office has determined and announced new tax rates that apply to motor fuel sales and special fuel sales in the State, effective July 1, 2026. The determination of the combined applicable rates includes determining the component parts of the motor fuel tax rate change as well as the annual percent change in the CPI for all urban consumers and the average annual retail price for motor fuel.

Effective July 1, 2026, the combined applicable rates are as follows:

1. 46.60 cents per gallon for gasoline other than aviation gasoline; and
2. 47.45 cents per gallon for special fuels.

The rates for aviation gasoline and for turbine fuel remain unchanged at \$0.07 cents per gallon. All motor fuel tax rates for Fiscal Year 2027 can be viewed on the Comptroller's [website](#).

V. Motor Fuel Floor Tax on Inventory

A person possessing motor fuel inventory on the date of a rate change on which tax has been paid must pay to the State the difference between the tax paid on the inventory and the tax due on the inventory under the new rate. The additional tax due as a result of the rate increase is referred to as the "floor tax"

A. Inventory

Persons possessing fuel inventory at the start of business on July 1, 2026, for which tax already has been paid are required to compile a physical inventory of all tax-paid motor fuel held at the close of business on the immediately preceding date (June 30, 2026) and remit any additional tax due on that inventory. A separate inventory is

¹ Md. Code Ann. Tax-General Article § 9-305(b)(3).

required for each tax-paid fuel product (gasoline, ethanol, diesel, kerosene, propane, compressed natural gas (CNG), and liquefied natural gas (LNG)). The inventory should be noted in gallons, and must be taken before any sales are made on July 1, 2026.

B. Reporting and Payment

Gallons on hand and the additional tax due, must be reported, by fuel product, on Form 779 CPI/SUTE, Inventory – Tax Adjustment. Form 779 will be mailed to motor fuel account holders. Forms and payment must be filed with the Comptroller by July 30, 2026. Interest and penalty will be assessed for failure to remit the floor tax timely.

Substitute forms are also available online. Go to MarylandComptroller.gov and search “779”. To remit a floor tax payment electronically, go to <https://www.velocitypayment.com/client/rad> and select the appropriate payment type.

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