

**LEGISLATIVE SERVICES AGENCY**  
**OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**  
**FISCAL IMPACT STATEMENT**

**LS 6892**

**BILL NUMBER:** HB 1382

**NOTE PREPARED:** Dec 30, 2025

**BILL AMENDED:**

**SUBJECT:** County Option Gasoline Tax.

**FIRST AUTHOR:** Rep. Smaltz

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**  **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows a county to adopt an ordinance to impose a county option gasoline tax. It specifies procedures for imposition and collection of the county option gasoline tax. The bill provides that a county may not concurrently impose a county option gasoline tax and a: (1) county wheel tax; and (2) county vehicle excise tax. It also specifies requirements for a municipality within a county that wishes to receive a distribution of revenue from the county option gasoline tax.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** *Tax Administration* - This bill will increase the workload of the Department of State Revenue and Treasurer of State to collect county option gasoline tax revenue and remit it to counties that enact tax rates. Additionally, the bill would require the Indiana Department of Transportation (INDOT) to provide lane milage information to counties that adopt a gasoline tax. Increases in workload are within each agency's routine administrative function and expected to be accomplished within existing resource and funding levels.

**Local Road and Bridge Matching Grant Fund Eligibility** - The bill also expands eligibility for a state matching grant from the Local Road and Bridge Matching Grant Fund to include (1) counties that have enacted a gasoline tax and (2) municipalities within an adopting county that have adopted an ordinance in support of the tax and do not have a wheel tax in effect. Increasing the number of eligible local entities for grant payments may not increase state expenditures as total annual expenditures on matching grants is capped at \$100 M per year.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill could increase the workload of county auditors to the extent a county elects to institute a county option gasoline tax. Increases in workload are expected to be absorbed within existing resource and funding levels.

**Explanation of Local Revenues:** *Summary* - Based on vehicle registration data and gasoline use tax

collections, a county option gasoline tax could generate between approximately \$6.6 M and \$53.1 M in annual revenue if all counties that do not currently have a county surtax or wheel tax adopt a county option gasoline tax. Actual revenue would depend on (1) the decision to enact a tax rate, (2) the tax rate adopted, and (3) gasoline sales within the enacting county. The table at the end of this note shows estimated revenue by county for nonadopting counties from a county option gasoline tax at the minimum and maximum tax rate.

*Additional Information* - The bill allows counties that do not have an excise surtax or wheel tax in effect to enact a county option gasoline excise tax. [Counties that rescind their wheel tax can enact a county option gasoline tax.] Currently, there are 26 counties that do not have a surtax or wheel tax in effect or set to take effect by the bill's effective date.

The bill specifies that the county option gasoline tax is to be collected at a minimum of 0.25% and a maximum of 2% of the sale price of gasoline, including the state's gasoline use, state excise tax, and the federal gasoline excise tax. Counties cannot decrease the tax rate if the revenue source is used to make payments on bonds of public debt under certain thresholds and conditions. Revenue received from the county option gasoline excise tax is dedicated to constructing, reconstructing, repairing, and maintaining roads and streets within an enacting county's district.

Additionally, the bill allows a municipality within a county to receive a distribution of the county option gasoline tax, but to do so, the municipality (1) is required to adopt an ordinance in support of the tax and (2) also cannot have a wheel tax in effect. Adopting this ordinance will not increase the tax rate collected at the county level, but would increase municipal revenue from distributions of the county option gasoline tax.

**State Agencies Affected:** Department of Correction, Department of Revenue, and Treasurer of State.

**Local Agencies Affected:** Counties, trial courts, local law enforcement agencies.

**Information Sources:** Legislative Services Agency, *Indiana Handbook of Taxes, Revenue, and Appropriations*, FY 2017 - FY 2025; AAA Gas Price Information, US Energy Information Administration, Energy Consumption by Section and Source; Indiana Auditor of State; IHS Markit data; US Bureau of Labor and Statistics; Bureau of Motor Vehicles.

**Fiscal Analyst:** Bill Brumbach, 317-232-9559.

**Table 1: Estimated Annual Revenue from County Option Gasoline Tax  
at the Minimum and Maximum Allowable Tax Rate**

County	Rate of 0.25%	Rate of 2.00%
Bartholomew	\$287,963	\$2,303,702
Benton	\$33,427	\$267,413
Boone	\$259,390	\$2,075,117
Clark	\$413,566	\$3,308,530
Dearborn	\$192,865	\$1,542,924
Floyd	\$276,478	\$2,211,820
Hamilton	\$1,311,838	\$10,494,707
Jackson	\$168,620	\$1,348,961
Jasper	\$131,463	\$1,051,707
Jennings	\$104,139	\$833,110
Knox	\$121,488	\$971,901
Lake	\$1,453,100	\$11,624,798
Laporte	\$376,951	\$3,015,604
Marshall	\$163,744	\$1,309,951
Newton	\$56,280	\$450,239
Ohio	\$23,110	\$184,883
Orange	\$73,080	\$584,642
Pike	\$48,858	\$390,861
Porter	\$563,423	\$4,507,381
Pulaski	\$49,644	\$397,156
Ripley	\$114,587	\$916,699
Scott	\$86,328	\$690,626
Starke	\$90,917	\$727,337
Switzerland	\$35,398	\$283,181
Washington	\$104,778	\$838,224
White	\$97,099	\$776,788
<b>TOTAL</b>	<b>\$22,763,029</b>	<b>\$53,108,263</b>