

OABA MEMBER UPDATE

Ohio Gas Tax Holiday - What Fuel Retailers Need to Know

House Bill 519 has been signed into law. The enrolled bill creates a temporary reduction in Ohio's motor fuel tax and includes specific requirements for licensed retail dealers, including pass-through of the tax reduction, inventory reimbursement and a post-holiday tax adjustment.

Effective date Oct. 1, 2026	Reduced-rate period 12:01 a.m. Oct. 4, 2026 - 11:59 p.m. Jan. 2, 2027
Ohio tax during period \$0.0001 per gallon (one-hundredth of one cent)	Applies to Gasoline and diesel fuel under ORC 5735.05

When do retailers need to reduce the Ohio tax component of fuel prices?

The temporary reduction period begins at **12:01 a.m. on Oct. 4**. During that period, the state motor fuel tax rate on gasoline and diesel is reduced to \$0.0001 per gallon.

Do retailers have to pass the savings through to customers?

Yes. The law states that licensed retail dealers and licensed motor fuel dealers may not sell motor fuel during the reduction period without passing the **full benefit of the reduced state tax rate** to the consumer or purchaser. Alleged violations may affect licensing and may be referred to the Ohio Attorney General for consumer-protection enforcement.

What happens to fuel already in our tanks when the holiday begins?

A licensed retail dealer may apply to the Tax Commissioner for payment equal to the difference between the tax previously paid on qualifying gallons and the temporary \$0.0001 rate, for gallons on hand at the start of the reduction period - or received afterward at the higher tax rate - that are sold at retail during the reduction period.

How and when do we request that reimbursement?

The Tax Commissioner will prescribe the form. Applications are due **on or before March 1, 2027**. Multiple applications are permitted, but the same gallons may not be claimed more than once.

What if we still have reduced-tax fuel after the holiday ends?

Fuel taxed at the temporary rate but sold at retail **after** the reduction period is subject to a catch-up excise tax. The amount is **38.49 cents per gallon for gasoline** and **46.99 cents per gallon for diesel**. The payment is due on or before March 1, 2027. The bill allows the reimbursement and catch-up amounts to be netted on the prescribed form.

Do we need a new pump tax notice?

No new state-issued notice is required. The Director of Agriculture will not produce and distribute temporary notices. A retail service station **may** alter the existing notice only on the row showing the state motor fuel tax rate, as long as the notice is not permanently damaged.

Are there any special filing changes for motor fuel dealers?

Yes. For motor fuel received in **October 2026**, the report and payment otherwise required under ORC 5735.06 must be filed **no earlier than Dec. 7 and no later than Dec. 15, 2026**.

OABA MEMBER ACTION CHECKLIST

1. Coordinate with fuel suppliers, accounting/POS vendors and tax staff before Oct. 4. 2. Document beginning inventory and tax paid by product. 3. Keep records of gallons sold during the reduction period and any gallons remaining afterward. 4. Watch for the Ohio Department of Taxation form and implementation guidance. 5. Review pump-notice changes and customer communications for consistency with the law.

Source: Sub. H.B. 519, 136th General Assembly, enrolled version, Sections 3 and 10. Governor Mike DeWine signed the bill Oct. 1, 2026. This update is for general informational purposes and is not tax or legal advice. OABA will share additional guidance from the Ohio Department of Taxation as it becomes available.