November 05, 2024

Special Privilege Tax on Petroleum Products

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

The University of Tennessee
County Technical Assistance Service
226 Anne Dallas Dudley Boulevard, Suite 400
Nashville, Tennessee 37219
615.532.3555 phone
615.532.3699 fax
www.ctas.tennessee.edu

Table of Contents

Special Privilege Tax on Petroleum Products

Reference Number: CTAS-1621

Description. The special privilege tax on petroleum products is in addition to the gasoline and diesel taxes and is imposed on all petroleum products, subject to certain exceptions. T.C.A. § 67-3-203. This tax is administered by the Tennessee Department of Revenue.

Rate: One cent (1¢) per gallon. T.C.A. § 67-3-203.

Distribution. The special tax on petroleum products is distributed as follows:

1. Two percent (2%) to general fund for administrative purposes
2. $12,017,000 per year to the local government fund
   a. $381,583 monthly to county highway departments on the basis of county population.
   b. $619,833 monthly to cities on the basis of their population, less $10,000 monthly to the Center for Government Training for in-service training of local government officials and employees.
3. Remainder to the state highway fund. T.C.A. § 67-3-906.

Source URL: *https://www.ctas.tennessee.edu/eli/special-privilege-tax-petroleum-products*