



May 26, 2026

Petroleum Storage Tank Fee will Decrease July 1

As we have previously reported, Virginia's motor fuel taxes are increasing once again on July 1, as the result of 2020 legislation that indexed fuel tax rates to the consumer price index. However, on Friday afternoon we learned that because the fund balance has reached the statutory maximum, the underground storage tank fee will **decrease** on July 1 from .06/gallon to .02/ gallon.

Under the Virginia Code the Underground Storage Tank fee is prescribed at one-fifth of one cent. The Commissioner of Motor Vehicles is authorized to increase the fund to 3-fifths of one cent when the fund balance is estimated to fall below \$3 million dollars. When the fund balance reaches \$12 million dollars (where it stands today) the fee is reduced back to one fifth cent. We have asked DEQ to share with us their projection as to when the lowered fee may trigger an increase in the future. That information will be shared as it becomes available.

Below are the newly revised fuels tax rate notices from DMV. It is not anticipated that this will change prior to July 1. Please make sure that this information is shared with all in your organization(s) responsible for fuels tax compliance.

[Fuels Tax Rates and Alternative Fuels Conversion | Virginia Department of Motor Vehicles](#)

[Motor Vehicle Fuels Sales Tax Rates | Virginia Department of Motor Vehicles](#)

Save the Date

VPCMA 78th Annual Meeting
September 20-22, 2026
The Greenbrier Resort
White Sulphur Springs, WV

Details available in June.

Sincerely,

Mike O'Connor
President, VPCMA



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