

Washington fuel taxes compared to states with similar congestion

The national average state and local gasoline tax rate as of January 2017 is 29.0¢ per gallon, which is 1.6¢ lower than was reported in January 2016. Washington’s 49.5¢ tax rate is similar to states with traffic congestion similar to ours (California 40.6¢, Florida 36.8¢, New York 43.9¢).

Similar Congestion	Washington	New York	Florida	California
Local State	0.1¢	35.8¢	32.8¢	10.3¢
State Excise	49.4¢	8.1¢	4.0¢	27.8¢
Total	49.5¢	43.9¢	36.8¢	38.1¢

Washington fuel taxes compared to neighboring states

Neighboring States	Idaho	Oregon	Washington
Local State	1.0¢	1.1¢	0.1¢
State Excise	32.0¢	30.0¢	49.4¢
Totals	33.0¢	31.1¢	49.5¢

Federal motor fuel tax breakdown

Federal Gasoline Tax: 18.4¢ per gallon

- 15.44¢ for Highway Account
- 2.86¢ for Mass Transit Account
- 0.1¢ for Leaking Underground Storage Tank Trust Fund

Federal Diesel Fuel Tax: 24.4¢ per gallon

- 21.44¢ for Highway Account
- 2.86¢ for Mass Transit Account
- 0.1¢ for Leaking Underground Storage Tank Trust Fund

MORE INFORMATION

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FUEL TAX ANALYSIS

STATE AND FEDERAL MOTOR FUEL TAXES

This report is designed to show approximately what consumers are paying in fuel taxes in each state. It does not indicate what other state governments are spending on roads. In addition, the rates shown in this analysis may not fully depict what the states are collecting from users. Alaska, for example, has the lowest combined state and local fuel tax rates in the nation, and no state excise tax. General fund appropriations account for a portion of the highway budget six times greater than revenues from motor fuel and motor carrier taxes. What is not reflected in this analysis is Alaska’s oil production fees, which amount to a tax in every state on every user of petroleum products derived from Alaskan oil. Other oil-producing states have similar production and severance fees, which could be perceived as instruments for taxing users in other states.

How Washington’s state fuel tax compares

Throughout the country, state and local governments levy a variety of cents-per-gallon taxes and taxes based on the retail or wholesale price of fuel. Some states also levy environmental or business taxes that translate into cents-per-gallon charges at the pump. To determine how Washington compares to the other states in the nation, the Washington State Department of Transportation has analyzed data from other states to learn what taxes are levied on fuel used by cars and trucks traveling on the nation’s roads.



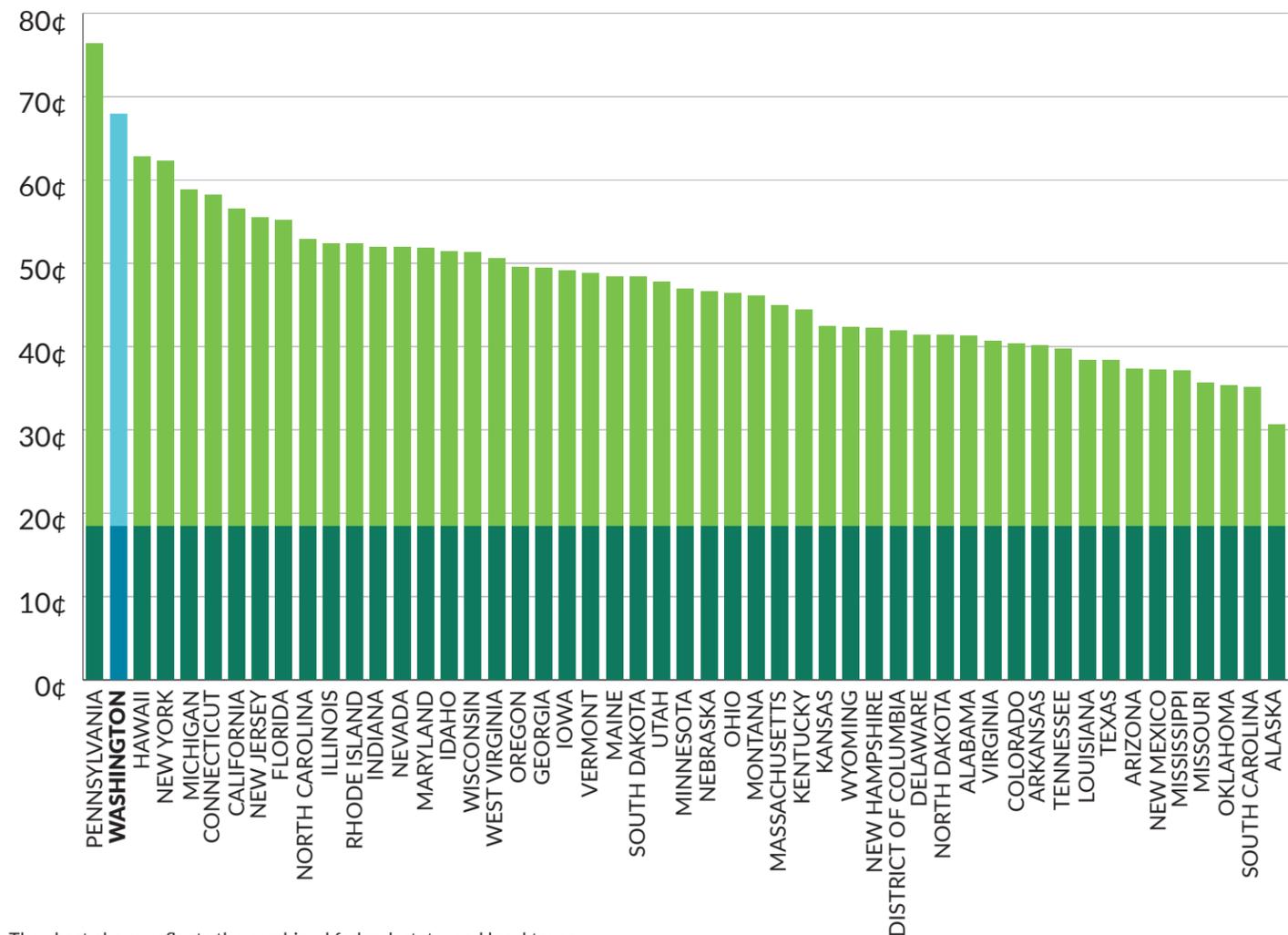
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Washington currently ranks second nationally for gas tax

An 11.9 cent gas tax increase was recently phased in over two calendar years: a 7 cent increase went into effect on August 1, 2015 with a second increase of 4.9 cents went into effect on July 1, 2016. Twelve other states have increased gas tax-related fees since January 2016.

For this reporting period Washington ranked 2nd in the nation for combined state and local gasoline taxes. Nineteen states plus the District of Columbia have combined fuel-tax rates that fall within the 20¢ to 30¢ range, 19 states fall into the 30¢ to 40¢ range, five states are above 40¢ and the remaining seven have combined fuel tax rates under 20¢.



The chart above reflects the combined federal, state, and local taxes.

Washington motor fuel excise tax; past, present, future

Washington recently implemented an 11.9¢ gas tax increase that was phased in over a two year period. The first step took place on August 1, 2015 which increased the gas tax by 7¢. The second step, a 4.9¢ increase, took place on July 1, 2016.

Adopted in 1921 at a rate of 1 cent per gallon, this is the fourth oldest state tax after property tax, insurance premiums tax and inheritance tax. Rate changes occurred as follows:

1921 - 1.0¢	1983 - 16¢
1924 - 2.0¢	1984 - 18¢
1929 - 3¢	1990 - 22¢
1931 - 4¢	1991 - 23¢
1933 - 5¢	2003 - 28¢
1949 - 6.5¢	2005 - 31¢
1961 - 7.5¢	2006 - 34¢
1967 - 9¢	2007 - 36¢
1977 - 11¢	2008 - 37.5¢
1979 - 12¢	2015 - 44.5¢
1981 - 13.5¢	2016 - 49.4¢



How does Washington compare to the rest of the nation?

The federal tax on gasoline is 18.4¢ per gallon for all states with the last increase occurring in 1993. Including the federal tax on gasoline, the nationwide average combined tax is 47.4¢ per gallon as of January 2017. Federal, state and local taxes account for 22.1 percent of the average pump price of \$2.14 per gallon of gasoline in the nation. The combined federal, state and local taxes comprises 18.0 percent of Washington's average pump price of \$2.63 per gallon.

The information in this report is gathered from the American Petroleum Institute (API): <http://www.api.org/oil-and-natural-gas/consumer-information/motor-fuel-taxes>

