



# 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 excise and local fuel tax rates in the nation. General fund appropriations account for a portion of the highway budget much 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

There are many other taxes on fuel besides excise tax, such as applicable sales taxes, gross receipts taxes, oil inspection fees, county and local taxes, underground storage tank fees and other miscellaneous environmental fees. 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.



### Washington fuel taxes compared to states with similar congestion

The national average state and local gasoline tax rate as of January 2019 is 30.3¢ per gallon, which is .2¢ higher than was reported in January 2018. Washington's 49.5¢ tax rate is similar to states with traffic congestion similar to ours (California 54.4¢, Florida 42.0¢, New York 44.1¢).

Similar Congestion	Washington	New York	Florida	California
State Excise Tax	49.4¢	8.05¢	4.0¢	41.7¢
Other State Taxes/Fees	0.1¢	36.05¢	38.0¢	12.7¢
<b>Total</b>	<b>49.5¢</b>	<b>44.1¢</b>	<b>42.0¢</b>	<b>54.4¢</b>

### Washington fuel taxes compared to neighboring states

Neighboring States	Idaho	Oregon	Washington
State Excise Tax	32.0¢	34.0¢	49.4¢
Other State Taxes/Fees	1.0¢	2.8¢	.1¢
<b>Totals</b>	<b>33.0¢</b>	<b>36.8¢</b>	<b>49.5¢</b>

### 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

The information in this report is gathered from:

**American Petroleum Institute (API):**

<http://www.api.org/oil-and-natural-gas/consumer-information/motor-fuel-taxes>

**U.S. Energy Information Administration:**

[https://www.eia.gov/dnav/pet/pet\\_pri\\_gnd\\_dcus\\_swa\\_w.htm](https://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_swa_w.htm)

## MORE INFORMATION

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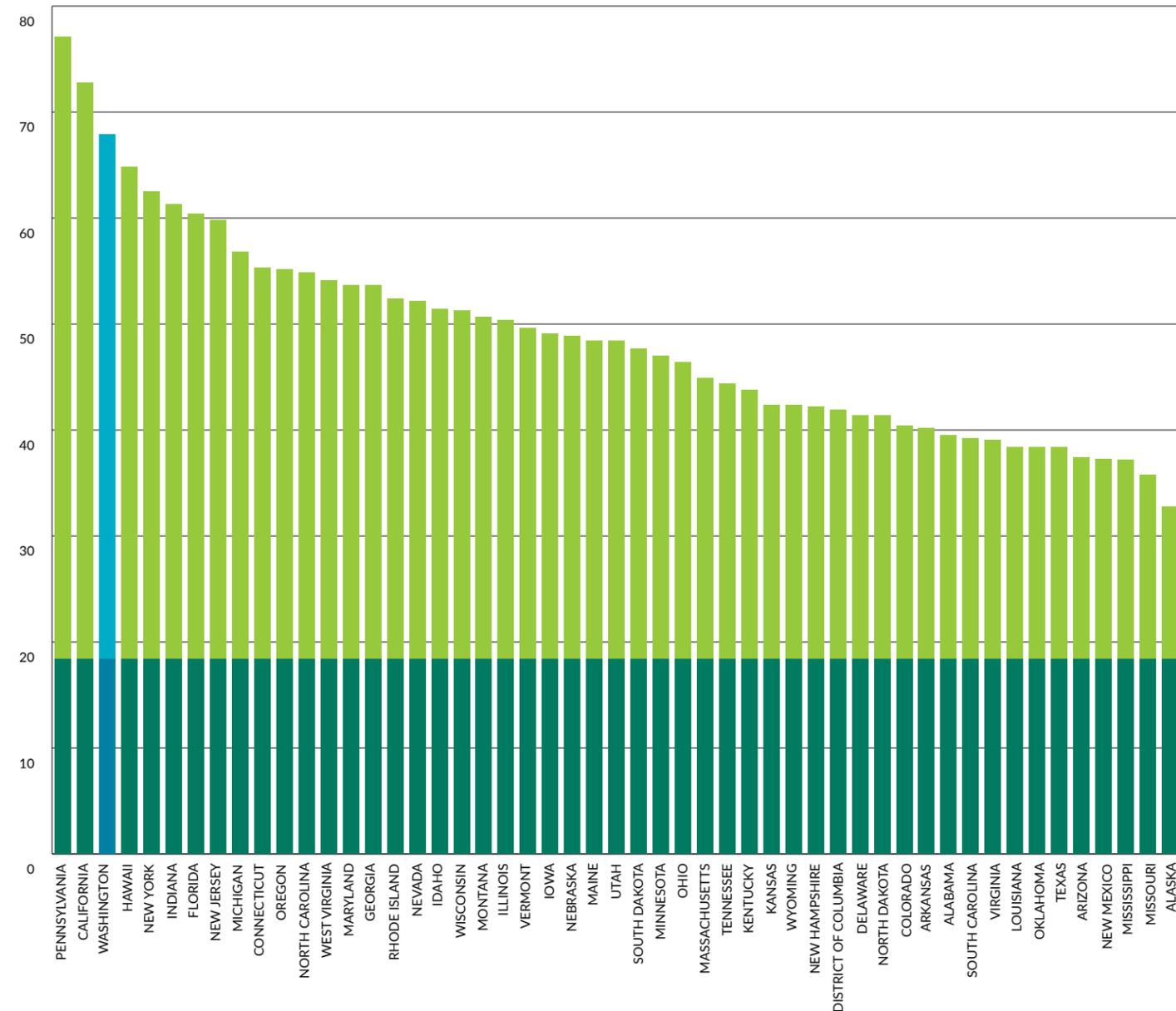


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## Washington currently ranks third nationally for gas tax

As of January 2019, Washington ranked third in the nation for combined state, local, and other gasoline taxes (49.5¢/gal) behind Pennsylvania (58.7¢/gal) and California (54.4¢/gal). Eighteen 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, eight states are above 40¢ and the remaining five 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

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

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

## How does Washington compare to the rest of the nation?

The first US state tax on fuel began in February 1919 in Oregon. It was a 1¢/gal tax. Over the following decade, all of the states in the US, and District of Columbia,

introduced a gasoline tax. Twenty years later, in 1939, an average fuel tax of 3.8¢/gal was levied by individual states.

Since its beginnings, state fuel taxes have undergone many changes. Initially most fuel taxes were a fixed number of cents per gallon. For 2019, 17 states and District of Columbia have a variable-rate gas tax or one that adjusts with inflation or prices without continual legislative action and 33 states, the District of Columbia and the federal government impose “fixed-rate” gas taxes where the tax rate does not change.

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 48.7¢ per gallon as of January 2019. Federal, state and local taxes account for 18.4 percent of the average pump price of \$2.65 per gallon of gasoline in the nation over the last six months. The combined federal, state and local taxes comprises 20.3 percent of Washington's average pump price of \$3.34 per gallon during the same period.

