

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.

The information in this report is gathered from the American Petroleum Institute and the U.S. Energy Information Administration in January of the current year.

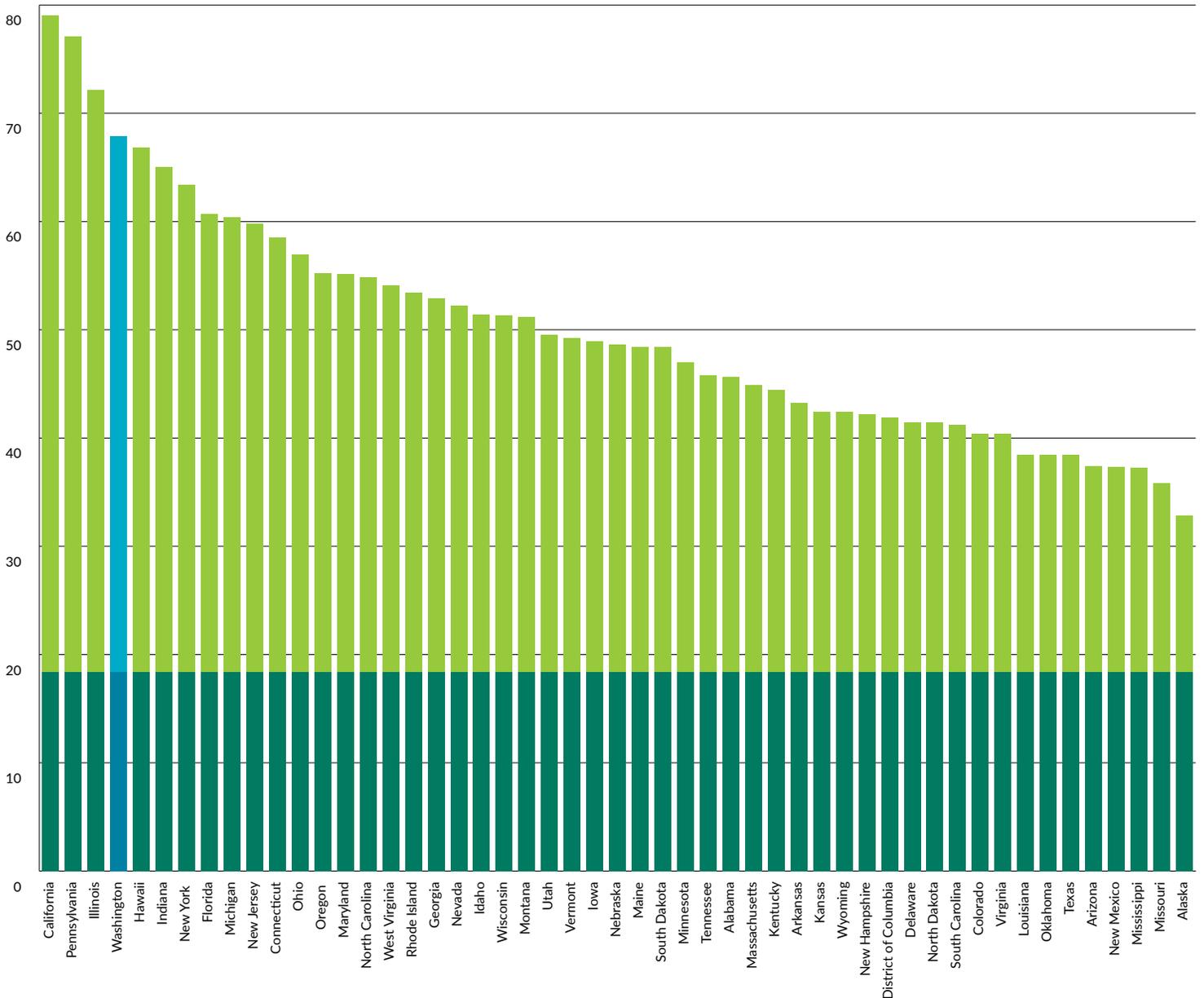
How Washington's state fuel tax compares

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 currently ranks fourth nationally for gas tax

As of January 2020, Washington ranked fourth in the nation for combined state, local, and other gasoline taxes (49.5¢/gal) behind California (60.6¢/gal), Pennsylvania (58.7¢/gal) and Illinois (53.7¢/gal). Seventeen states plus the District of Columbia have combined fuel-tax rates that fall within the 20¢ to 30¢ range, 17 states fall into the 30¢ to 40¢ range, 11 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¢	

The chart above reflects state excise tax only.

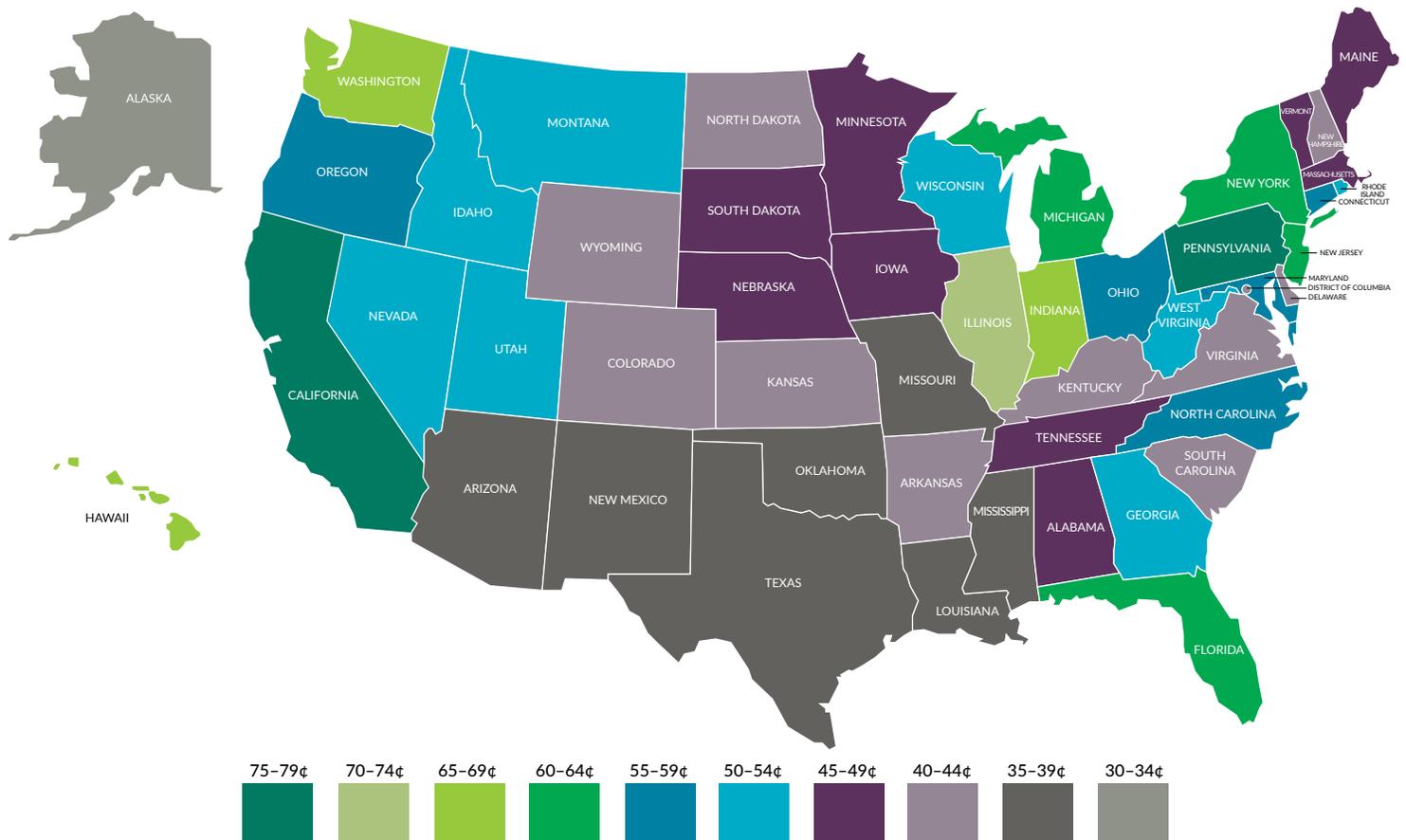
How does Washington compare to the rest of the nation?

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 cents-per-gallon rate. In 2020, 19 states have a variable-rate gas tax or one that adjusts with inflation or prices without continual legislative action and 31 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 50.05¢ per gallon as of January 2020. Federal, state and local taxes account for 21.5 percent of the average pump price is \$2.54 per gallon of gasoline in the nation over the last six months. The combined federal, state and local taxes comprises 17.5 percent of Washington’s average pump price of \$3.12 per gallon during the same period.



The map above reflects the combined federal, state, and local taxes

Washington fuel taxes compared to states with similar congestion

The national average state and local gasoline tax rate as of January 2020 is 31.7¢ per gallon, which is 1.5¢ higher than was reported in January 2019. Washington's 49.5¢ tax rate is similar to states with traffic congestion similar to ours (California 60.6¢, Florida 42.3¢, New York 45.0¢).

Similar Congestion	Washington	New York	Florida	California
State Excise Tax	49.4¢	8.05¢	4.0¢	47.3¢
Other State Taxes/Fees	0.1¢	36.98¢	38.3¢	13.3¢
Total	49.5¢	45.0¢	42.3¢	60.6¢

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¢	0.1¢
Totals	33.0¢	36.8¢	49.5¢

MORE INFORMATION

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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



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