

WASHINGTON FUEL TAXES COMPARED TO STATES WITH SIMILAR CONGESTION

The national average state and local gasoline tax rate as of July 2015 is 28.2¢ per gallon, which is 0.7¢ higher than was reported in December 2015. Washington's 37.5¢ tax rate is lower than states with traffic congestion similar to ours (California 42.4¢, Connecticut 40.9¢, New York 46.0¢).

	California	Connecticut	New York	Washington
Federal Excise	18.4¢	18.4¢	18.4¢	18.4¢
Local State	9.3¢	22.4¢	42.2¢	0¢
State Excise	36.0¢	25.0¢	8.1¢	37.5¢
Totals	63.7¢	65.8¢	68.7¢	55.9¢

WASHINGTON FUEL TAXES COMPARED TO NEIGHBORING STATES

	Idaho	Oregon	Washington
Federal Excise	18.4¢	18.4¢	18.4¢
Local State	0.0¢	1.1¢	0.0¢
State Excise	25.0¢	30.0¢	37.5¢
Totals	43.4¢	49.5¢	55.9¢

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

CONTACT:

Doug Vaughn
Budget Director
VaughnD@wsdot.wa.gov
360-705-7401



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FUEL TAX ANALYSIS

STATE AND FEDERAL MOTOR FUEL TAXES

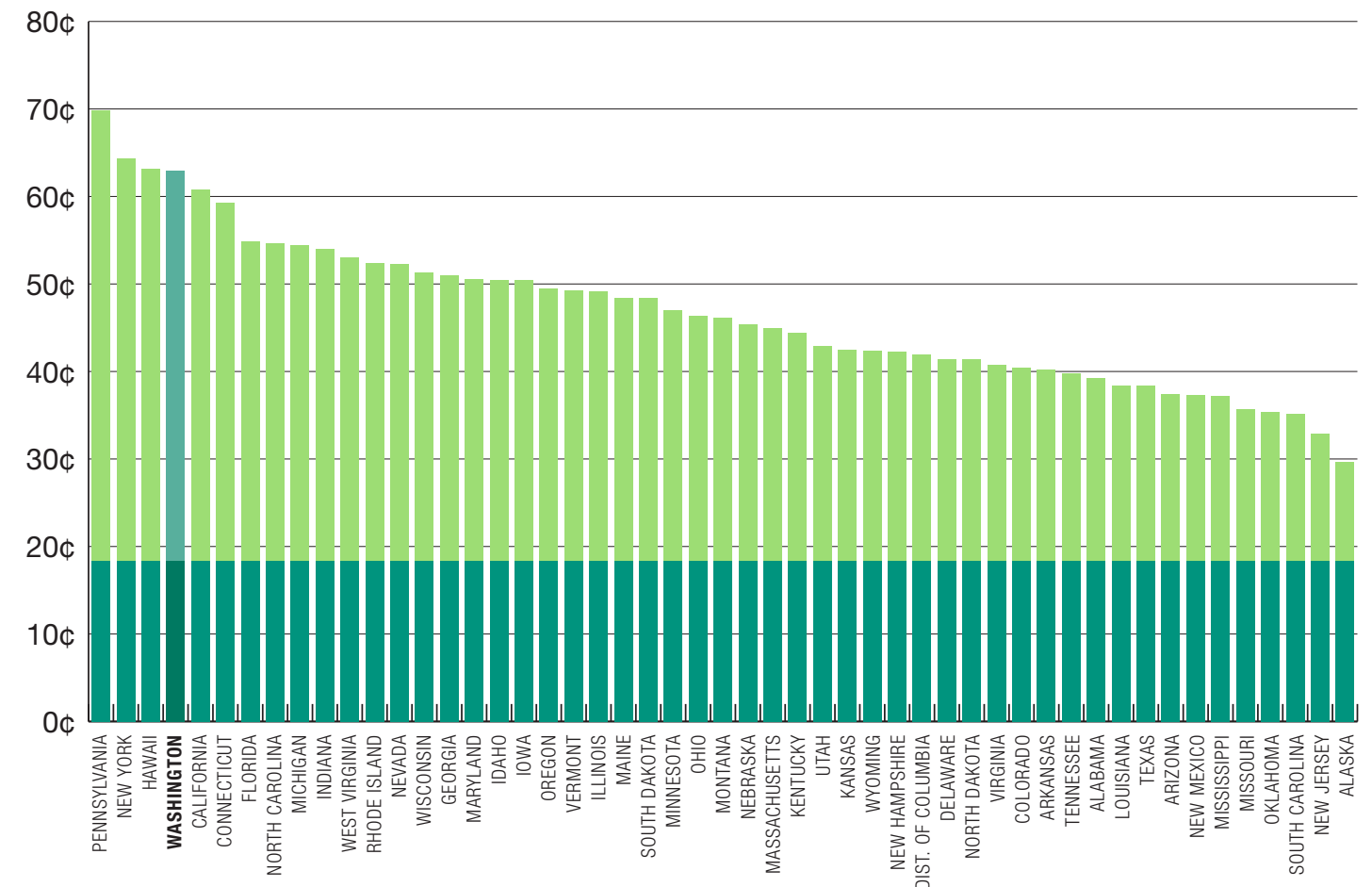
This report is designed to show approximately what consumers are paying in fuel taxes in each state. It does not indicate what other state governments are spending on roads. In addition, the rates shown in this analysis may not fully depict what the states are collecting from users. Alaska, for example, has the lowest combined state and local fuel tax rates in the nation, and no state excise tax. It has no dedicated user fees; general fund appropriations account for a portion of the highway budget three 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.

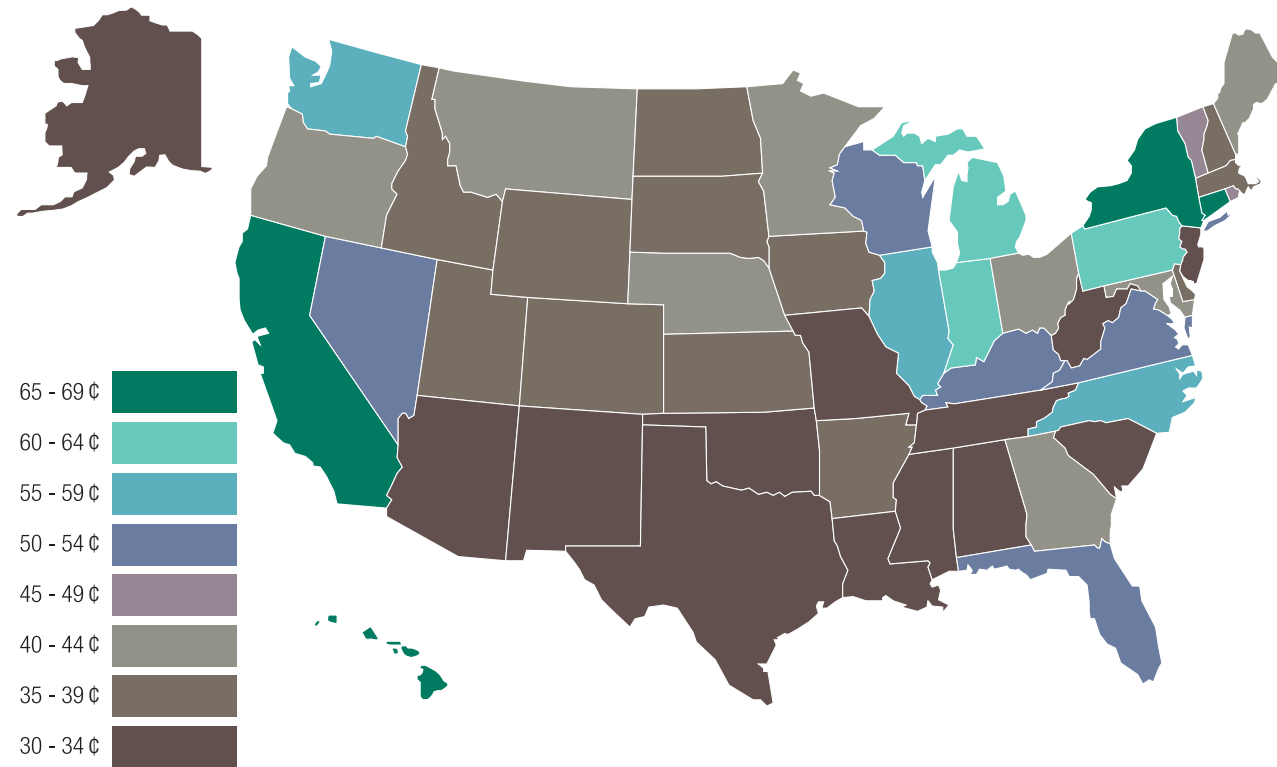
WASHINGTON CURRENTLY RANKS FOURTH NATIONALLY FOR GAS TAX

Washington State's increase of 7¢ takes effect on August 1, 2015. Five other states have increased gas tax-related fees in 2015 (Iowa, South Dakota, Maryland, Idaho and Georgia). Utah will see an increase in 2016 while eight states implemented increases in 2014 and 2013.



For this reporting period Washington ranked 4th in the nation for combined federal, state and local gasoline taxes. The majority of the states (19 states and 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, five states are above 40¢ and the remaining six have combined fuel tax rates under 20¢.

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 tax is 46.8¢ per gallon as of July 6, 2015. Federal, state and local taxes account for 16.7 percent of the average pump price of \$2.79 per gallon of gasoline in the nation during this reporting period. Using Washington's federal, state and local taxes for this reporting period, the combined tax rate comprises 14.7 percent of the average pump price in Washington of \$3.17 per gallon.

The information in this report is gathered from the American Petroleum Institute (API): <http://www.api.org/oil-and-natural-gas-overview/industry-economics/f>

WASHINGTON MOTOR FUEL TAX; PAST, PRESENT, FUTURE

Washington will implement an 11.9¢ gas tax increase that will be phased in over the next two years. The first step on August 1, 2015 will increase the gas tax by 7¢ and the second step of 4.9¢ increase will take effect on July 1, 2016.

Adopted in 1921 at a rate of 1 cent per gallon, this is the third oldest state tax (apart from the property tax), after the insurance premiums and inheritance taxes. 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¢