

FUEL TAX ANALYSIS



6/30/2014

State and Federal Motor Fuel Taxes

The average price of gas for the first six months of 2014 was \$3.62 per gallon. Washington State and federal taxes make up 37.5¢ and 18.4¢ of the per gallon price, respectively. Washington ranks 9th in the nation for fuel taxes.

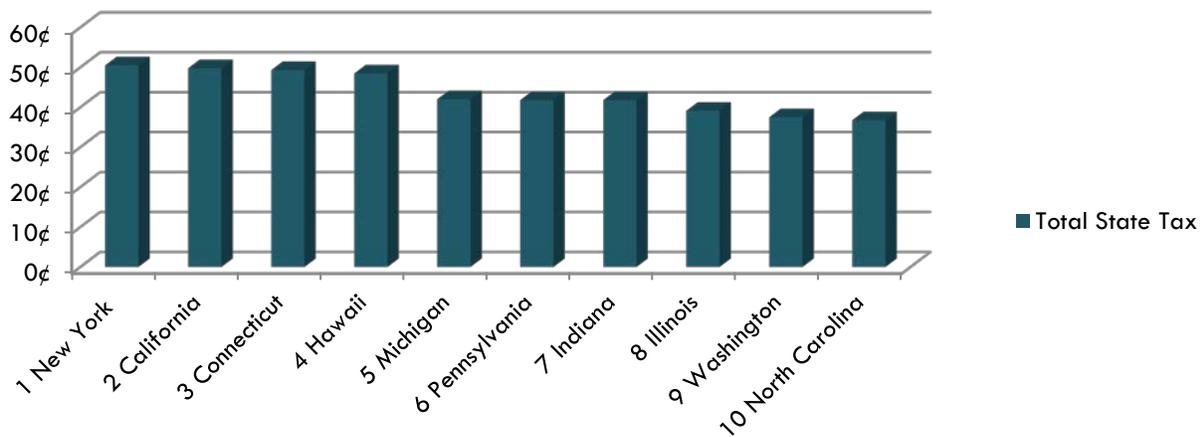
Fuel Tax Analysis

STATE AND FEDERAL MOTOR FUEL TAXES

HOW WASHINGTON'S STATE FUEL TAX COMPARES

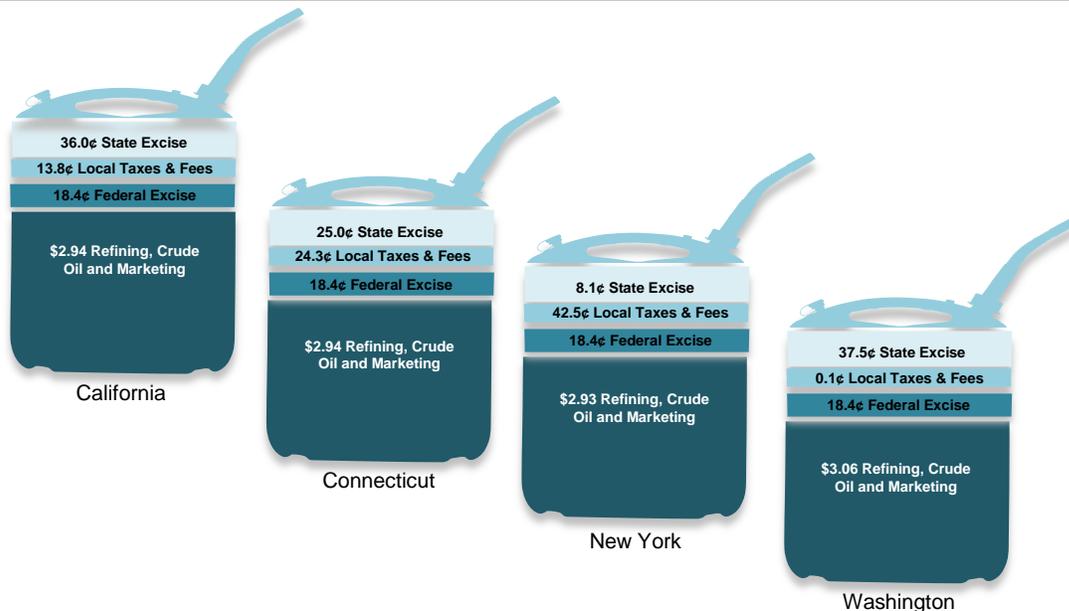
Throughout the country, state and local governments impose a variety of cents-per-gallon taxes and taxes based on the retail or wholesale price of fuel. Some states also impose environmental or business taxes that translate into cents-per-gallon charges at the pump. To determine how Washington compares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

State Tax



For this reporting period Washington ranked 9th in the nation for combined federal, state and local gasoline taxes. The majority of the states (20 states and District of Columbia) have combined fuel tax rates that fall within the 20¢ to 30¢ range, fifteen states fall into the 30¢ to 40¢ range, six states are above 40¢ and the remaining nine have combined fuel tax rates under 20¢.

Washington Fuel Taxes Compared to States with Similar Congestion



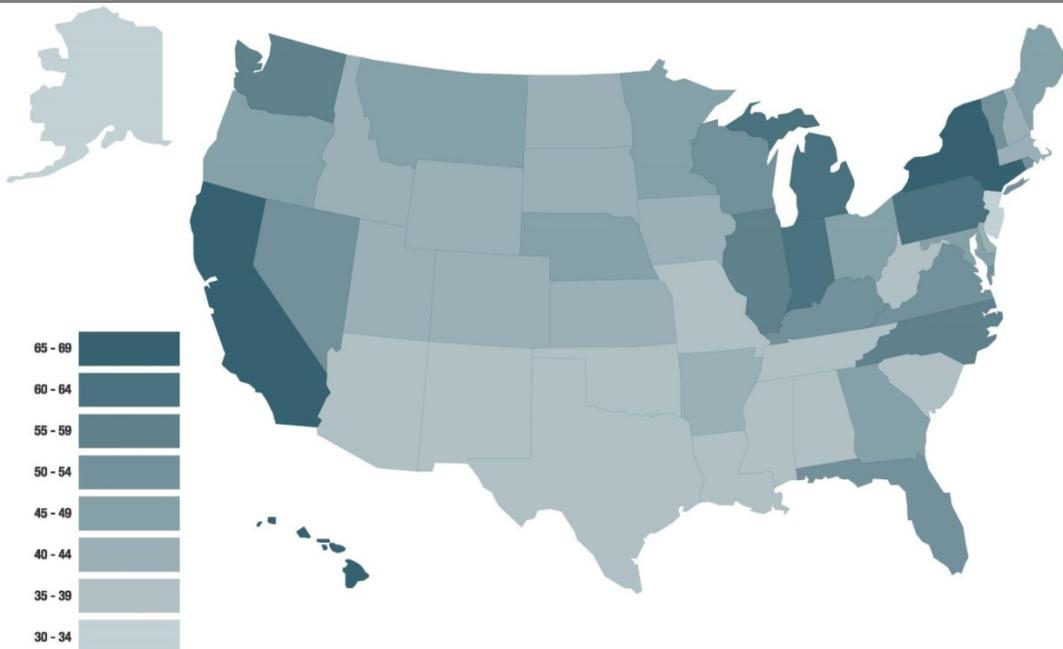
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The national average federal, state and local gasoline tax rate as of July 2014 is 28.2¢ per gallon, which is .4¢ higher than was reported in June 2013. Washington's 37.6¢ tax rate is lower than states with traffic congestion similar to ours (California 49.5¢, Connecticut 47.6¢, New York 53.3¢).

Washington Fuel Taxes Compared to Neighboring States



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 46.6¢ per gallon as of December 31, 2013. Federal, state and local taxes account for 13.3% of the average pump price of \$3.51 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 15.4% of the average pump price in Washington of \$3.62 per gallon.

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