

LEGISLATIVE RESEARCH UNIT

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STATES' MOTOR FUEL TAXES AND VEHICLE REGISTRATION FEES

You asked for information on all states' gasoline and diesel fuel tax rates, including local taxes, and passenger vehicle registration fees. We describe our findings below.

Motor Fuel Taxes

Statewide gasoline tax rates range from 8¢ per gallon in Alaska (although its tax is suspended from September 1, 2008 to August 31, 2009)¹ to 37.5¢ per gallon in Washington. Illinois' gasoline tax of 20.1¢ per gallon (consisting of a basic rate of 19¢ per gallon, plus a leaking underground storage tank tax of 0.3¢ per gallon and an environmental impact fee of 0.8¢ per gallon) is 29th highest among the states.

Diesel fuel tax rates range from 8¢ per gallon in Alaska (also suspended as described above) to 43.4¢ per gallon in Connecticut. Illinois' diesel fuel tax of 22.6¢ per gallon (21.5¢ per gallon plus the two additional levies described above) is 28th highest among the states. Appendices A and B list each state's statewide rate for gasoline and diesel fuel (including the basic tax rate and any statewide fees or surcharges that we could find).

Ten states, including Illinois, impose general sales taxes on motor fuels:

California
Florida
Georgia
Hawaii
Illinois

Indiana
Michigan
New York
Virginia*
West Virginia

* Virginia imposes a 2% sales tax in areas served by mass transit.

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Local Motor Fuel Taxes

In Illinois, home-rule units can tax motor fuels. Cook County collects 6¢ per gallon, and Chicago 5¢. DuPage, Kane, and McHenry Counties can impose taxes up to 4¢ per gallon without a referendum.² Each of those counties collects 4¢. Any city of over 100,000,³ by referendum, can also impose a tax of 1¢ per gallon.

We could not find a comprehensive source for all motor fuel taxes levied by Illinois localities. Some localities' ordinances are available online; a search found that at least 31 home-rule cities impose motor fuel taxes (on gasoline and diesel fuel in most cases), as shown in Table 1. (Amounts in the "Total" column include the 20.1¢ state tax.)

Table 1: Motor Fuel Taxes in 35 Illinois Localities

	<i>County</i>	<i>City</i>	<i>Total</i>
Cook County	6.0¢	-	26.1¢
Chicago	6.0	5.0¢	31.1
Alsip, Evanston, Evergreen Park, Oak Park, Park Ridge	6.0	3.0	29.1
Burbank, Cicero, Des Plaines, Lincolnwood, Morton Grove, Mount Prospect, Rolling Meadows, Rosemont	6.0	2.0	28.1
Berwyn, Dolton	6.0	1.0	27.1
DuPage County	4.0	-	24.1
Bolingbrook	4.0	5.0	29.1
Downers Grove, Woodridge	4.0	2.5	26.6
Naperville	4.0	2.0	26.1
Kane County	4.0	-	24.1
McHenry County	4.0	-	24.1
Municipalities in other counties			
Pekin	-	4.0	24.1
Carbondale	-	3.0	23.1
Galesburg	-	2.5	21.6
Freeport, Peoria, Sycamore	-	2.0	22.1
Channahon, Danville, Joliet, Moline, Rock Island	-	1.0	21.1

Sources: County and municipal ordinances viewed online.

The most comprehensive source we are aware of that describes local motor fuel taxes in other states is Commerce Clearing House's *State Tax Guide*. However, it does not list every

local motor fuel tax authorized by each state. For example, it does not list some taxes that are administered and collected locally (such as most Illinois local motor fuel taxes). We describe below the taxes that are listed in the *State Tax Guide*—which we verified by checking the state laws. Some states *require* localities to levy a specified tax on motor fuel. Most tax reporting organizations include those taxes in statewide motor fuel tax rates (as we do), so they are not described below.

In Alabama, specified counties and municipalities may levy local taxes on gasoline at rates ranging from 1¢ to 5¢ per gallon.⁴ Arkansas counties and municipalities may levy any tax by referendum to fund economic development projects.⁵ In California, most counties and some cities by referendum can levy a tax of 1¢ per gallon on gasoline.⁶ Additionally, counties can levy another tax in increments of 1¢ per gallon on gasoline or diesel fuel.⁷

Florida counties, with voter approval, can levy a tax of 1¢ per gallon on gasoline, and may collect an additional 1¢ to 11¢ per gallon. Each county also levies a State Comprehensive Enhanced Transportation System tax on gasoline at a rate to be adjusted annually based on inflation. The maximum rate for 2009 is 6.7¢ per gallon. Local taxes on gasoline in 2009 range from 10.6¢ to 18.7¢ per gallon.⁸

Hawaii county taxes, added to the state tax of 17¢ per gallon, result in rates ranging from 30¢ to 33.5¢ per gallon.⁹ Three Mississippi counties are authorized to levy a tax of 3¢ per gallon on gasoline.¹⁰ Montana counties by referendum may tax gasoline up to 2¢ per gallon¹¹ (although no counties have imposed such a tax). A Nevada county that adopts a "streets and highway" plan may levy a tax up to 9¢ per gallon on gasoline.¹² A county of under 400,000 population may also collect an additional excise tax on each gallon of gasoline sold, limited by a formula linked to the Consumer Price Index for West Urban Consumers.¹³ Some New Mexico counties by referendum may tax gasoline up to 2¢ per gallon in unincorporated areas.¹⁴ Municipalities in those counties by referendum may tax gasoline sold within their limits up to 2¢ per gallon.¹⁵ A county authorized to levy the 2¢ tax may also, by referendum, charge a countywide gasoline tax up to 2¢ per gallon.¹⁶

In Oregon counties and municipalities, local taxes on gasoline and diesel fuel range from 1¢ to 3¢ per gallon; some localities impose and administer fuel taxes.¹⁷ In South Dakota, some municipalities can tax gasoline and diesel fuel at up to 1¢ per gallon.¹⁸ Tennessee counties and municipalities, with voter approval, may tax gasoline at 1¢ per gallon.¹⁹ Washington counties by referendum may levy taxes on gasoline and diesel fuel equal to 10% of the state fuel tax rate (3.75¢ per gallon).²⁰ Municipalities within 10 miles of an international

border crossing by referendum may collect up to 1¢ per gallon on gasoline and diesel fuel.²¹

American Petroleum Institute Data

The American Petroleum Institute publishes a periodic list of all states' gasoline and diesel fuel taxes—including the federal tax (18.4¢ per gallon for gasoline and 24.4¢ per gallon for diesel fuel); state taxes; and other taxes on motor fuels (sales or gross receipts taxes, oil inspection fees, county and municipal taxes, underground storage tank fees, and various other fees). The report's totals for each state are weighted averages (any rates that vary within a state are weighted by the populations of the areas subject to them).²²

The latest such report says that total gasoline taxes (federal, state, and other taxes) per gallon in October 2008 ranged from 18.4¢ in Alaska (with Alaska's state fuel tax of 8¢ per gallon suspended, its total rate is only the federal gasoline tax of 18.4¢ per gallon) to 67.1¢ in California. Illinois was the third highest at 64.4¢ per gallon. Diesel fuel rates ranged from 24.4¢ in Alaska to 76.4¢ in California; Illinois was fourth highest at 74.6¢ per gallon. Illinois' high rankings presumably result from collecting state sales tax on motor fuels, and from local taxes.

The report includes some notes on what constitutes "other" taxes, but it is not always specific. For example, it lists "other state taxes" for Illinois as averaging 27¢ per gallon, including the 6.25% sales tax, the 0.3¢ per gallon underground storage tank tax, and "other local sales and gasoline taxes." Thus we cannot verify all of the taxes listed in the report. But we enclose a copy since it is among the few sources we found that attempts to reflect local motor fuel taxes. (Note that the numbers in the column headed "State Excise Taxes" in the API report do not always correspond to the statewide taxes listed in our Appendices A and B. That is because the API report does not include in that column statewide environmental or other fees imposed per gallon; it puts those in the "Other State Taxes" column.)

Vehicle Registration Fees

Appendix C lists each state's registration fee or fees for passenger vehicles. It shows that 22 states, including Illinois, charge flat annual fees for passenger vehicle registration. Illinois' fee is the highest at \$79. It rose by \$1 at the beginning of this year (referred to in the law as the 2010 registration year—which the Secretary of State's office uses to refer to the year when registrations expiring in 2010 are made²³). The additional \$1 goes to the State Police Vehicle Fund.²⁴ The states with flat fees are shown in Table 2.

Table 2: Flat Fees for Passenger Vehicle Registration

<i>State</i>	<i>Fee</i>	<i>State</i>	<i>Fee</i>
Illinois	\$79	Indiana	\$20.75
Wisconsin	75	Georgia	20
Vermont	60	Nebraska	20
Alaska	50*	Wyoming	15
Delaware	40	South Carolina	12*†
Connecticut	37.50*	Mississippi	10
Pennsylvania	36	Arizona	8‡
Maine	35		
California	34		
West Virginia	30		
North Carolina	28		
Oregon	27*		
Tennessee	25		
Alabama	23		
Kentucky	21		

Notes

* The actual charge is twice the amount shown in the table, but is imposed biennially (in Connecticut, persons 65 or older may renew annually).

† South Carolina's charge is \$10 per year if 65 or older, or disabled.

‡ \$8.25 in Phoenix and Tucson.

Sources: Commerce Clearing House, *State Tax Guide* (looseleaf to date); *AAA Digest of Motor Laws*, 74th ed. (current through Nov. 2007); and states' motor vehicle department Internet sites.

Ten states base registration fees at least partly on vehicle weight:

Arkansas	\$17-30
Florida	\$100 at initial registration; then \$27.60-45.60
Kansas	\$30-40
Maryland	\$64-90
New Hampshire	\$31.20-55.20
New York	\$10.25-56
Rhode Island	\$30-972 + \$24 per 2,000 lbs. if over 74,000
Utah	\$21-49.50 + 18.50 per 2,000 lbs. over 14,000
Virginia	\$39.50-44.50
Washington	\$40-60, plus additional fees for vehicles over 8,000 lbs

Two states charge flat registration fees plus weight taxes: Colorado (\$10-\$17.50 + 20¢-60¢ per 100 pounds) and Hawaii (\$25 + 0.75¢-1.25¢ per pound). Five states base registration fees on both the vehicle's age and weight:

New Jersey	\$35.50-84
New Mexico	\$25.50-60.50
North Dakota	\$49-274
South Dakota	\$21-65
Texas	\$40.80-61.31; if over 6,000 lbs, \$25 + 60¢ per 100 lbs.

Registration fees are based on vehicle age in Montana (\$28-217) and Oklahoma (\$23-93). Idaho charges \$35 to \$60 based on vehicle age and county of residence. Ohio's fee is \$34.50 to \$54.50 depending on county of registration. Iowa's registration fee is based on a percentage of value as determined by the state Department of Motor Vehicles, plus 40¢ per 100 pounds of vehicle weight. Louisiana's biennial fee ranges from \$20 to \$82 based on a percentage of value. Massachusetts car owners pay a \$36 biennial registration fee plus an excise tax. Missouri's fee is \$18.25 to \$51.25 based on "horsepower" (calculated using a formula based on engine displacement). Michigan registration fees range from \$33 to \$148 based on list price. Minnesota's fee is \$10 plus 1.25% of the vehicle's base value (limited to \$189 the first year and \$99 in later years). Nevada's registration fees, based on the number of vehicles registered, range from \$33 for each of the first four cars to \$8 each for nine or more cars.²⁵

We hope this information is helpful. Please let us know if you need anything further.

Sincerely,



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Enclosure

American Petroleum Institute, "State Gasoline Tax Report" (updated Oct. 1, 2008, downloaded from American Petroleum Institute Internet site).

Notes

1. 2008 Alaska Laws, ch. 2, enacted by S.B. 4002.
2. 55 ILCS 5/5-1035.1.
3. 65 ILCS 5/8-11-15.
4. Commerce Clearing House, *State Tax Guide* (looseleaf to date), pp. 40-209 to 40-211.
5. Ark. Stat., sec. 14-174-103.
6. Cal. Pub. Util. Code, sec. 99500.
7. Cal. Rev. & Tax Code, sec. 9501.
8. Fla. Stat., subsec. 206.41(1); and Florida Department of Revenue, "2009 Local Option Rate Chart" (downloaded from Florida Department of Revenue Internet site).
9. *State Tax Guide*, p. 40-366.
10. Miss. Code, sec. 65-33-47.
11. Mont. Code, sec. 7-14-301.
12. Nev. Rev. Stat., sec. 373.030.
13. Nev. Rev. Stat., sec. 373.065.
14. N.M. Stat., sec. 7-24A-5.
15. N.M. Stat., sec. 7-24A-10.
16. N.M. Stat., sec. 7-24A-6.1.
17. *State Tax Guide* at p. 40-760.
18. S.D. Cod. Laws, sec. 10-52-2.2.
19. Tenn. Code, sec. 67-3-1004.
20. Wash. Rev. Code, sec. 82.80.010.
21. Wash. Rev. Code, sec. 82.47.020.
22. American Petroleum Institute, "State Gasoline Tax Report" (updated Oct. 1, 2008; downloaded from American Petroleum Institute Internet site).
23. Telephone conversation with Andre Jordan, Senate Liaison, Secretary of State's office, Jan. 9, 2009.
24. P.A. 95-1009 (2008), enacted by S.B. 450 (Munoz-Millner—Jefferson-Mathias-Sacia-Turner et al.), amending 625 ILCS 5/3-806.
25. *State Tax Guide*; *AAA Digest of Motor Laws*, 74th ed. (current through Nov. 2007); and states' motor vehicle department Internet sites.

Appendix A: Statewide Gasoline and Diesel Fuel Tax Rates Per Gallon*
(ranked by rates on gasoline)

<i>State</i>	<i>Gasoline</i>	<i>Diesel fuel</i>
Washington	37.5 ¢	37.5 ¢
Wisconsin	32.9	32.9
West Virginia	32.2	32.2
Pennsylvania	31.2	38.1
Rhode Island	31.0	31.0
North Carolina	30.15	30.15
Maine	28.4	29.6
Ohio	28.0	28.0
Nebraska	27.3	26.7
Montana	27.0	27.75
Idaho	26.0	26.0
Minnesota	25.5	25.5
New York	25.15	23.35
Connecticut	25.0	43.4
Utah	24.5	24.5
Kansas	24.0	26.0
Oregon	24.0	24.0
South Dakota	24.0	24.0
Nevada	23.805	27.75
Maryland	23.5	24.25
Massachusetts	23.5	23.5
Delaware	23.0	22.0
North Dakota	23.0	23.0
Kentucky	22.5	19.5
Colorado	22.0	20.5
Iowa	22.0	23.5
Arkansas	21.8	22.8
Tennessee	21.4	18.4
Illinois	20.1	22.6
Louisiana	20.0	20.0
Texas	20.0	20.0
Vermont	20.0	26.0
Michigan	19.875	15.875
New Hampshire	19.625	19.625
California	19.4	19.4

Appendix A: Statewide Gasoline and Diesel Fuel Tax Rates Per Gallon*
(ranked by rates on gasoline) (cont'd)

<i>State</i>	<i>Gasoline</i>	<i>Diesel fuel</i>
Arizona	19.0 ¢	19.0 ¢
Indiana	19.0	17.0
New Mexico	18.875	22.875
Mississippi	18.4	18.4
Alabama	18.0	19.0
Virginia	17.7	17.7
Missouri	17.55	17.55
Hawaii	17.0	17.0
Oklahoma	17.0	14.0
Florida	16.1	29.8
South Carolina	16.0075	16.0075
Georgia	14.6	17.8
New Jersey	14.5	17.5
Wyoming	14.0	14.0
Alaska	8.0†	8.0†
Nationwide averages (volume-weighted)	30¢	29.4¢

* Rates include the basic tax rate and any statewide fees or surcharges, but not sales taxes.

† Alaska's tax is being suspended from September 1, 2008 to August 31, 2009.

Sources: Commerce Clearing House, *State Tax Guide* (looseleaf to date); states' tax department Internet sites; and American Petroleum Institute, "State Gasoline Tax Report" (updated Oct. 1, 2008, downloaded from American Petroleum Institute Internet site).

Appendix B: Statewide Gasoline and Diesel Fuel Tax Rates Per Gallon*
(ranked by rates on diesel fuel)

<i>State</i>	<i>Gasoline</i>	<i>Diesel fuel</i>
Connecticut	25.0 ¢	43.4 ¢
Pennsylvania	31.2	38.1
Washington	37.5	37.5
Wisconsin	32.9	32.9
West Virginia	32.2	32.2
Rhode Island	31.0	31.0
North Carolina	30.15	30.15
Florida	16.1	29.8
Maine	28.4	29.6
Ohio	28.0	28.0
Montana	27.0	27.75
Nevada	23.805	27.75
Nebraska	27.3	26.7
Idaho	26.0	26.0
Kansas	24.0	26.0
Vermont	20.0	26.0
Minnesota	25.5	25.5
Utah	24.5	24.5
Maryland	23.5	24.25
Oregon	24.0	24.0
South Dakota	24.0	24.0
Iowa	22.0	23.5
Massachusetts	23.5	23.5
New York	25.15	23.35
North Dakota	23.0	23.0
New Mexico	18.875	22.875
Arkansas	21.8	22.8
Illinois	20.1	22.6
Delaware	23.0	22.0
Colorado	22.0	20.5
Louisiana	20.0	20.0
Texas	20.0	20.0
New Hampshire	19.625	19.625
Kentucky	22.5	19.5
California	19.4	19.4

Appendix B: Statewide Gasoline and Diesel Fuel Tax Rates Per Gallon*
(ranked by rates on diesel fuel) (cont'd)

<i>State</i>	<i>Gasoline</i>	<i>Diesel fuel</i>
Alabama	18.0 ¢	19.0 ¢
Arizona	19.0	19.0
Mississippi	18.4	18.4
Tennessee	21.4	18.4
Georgia	14.6	17.8
Virginia	17.7	17.7
Missouri	17.55	17.55
New Jersey	14.5	17.5
Hawaii	17.0	17.0
Indiana	19.0	17.0
South Carolina	16.0075	16.0075
Michigan	19.875	15.875
Oklahoma	17.0	14.0
Wyoming	14.0	14.0
Alaska	8.0†	8.0†
Nationwide averages (volume-weighted)	30¢	29.4¢

* Rates include the basic tax rate and any statewide fees or surcharges, but not sales taxes.

† Alaska's tax is being suspended from September 1, 2008 to August 31, 2009.

Sources: Commerce Clearing House, *State Tax Guide* (looseleaf to date); states' tax department Internet sites; and American Petroleum Institute, "State Gasoline Tax Report" (updated Oct. 1, 2008, downloaded from American Petroleum Institute Internet site).

Appendix C: States' Annual Passenger Vehicle Registration Fees
(from highest to lowest minimum fee)

<i>State</i>	<i>Fee or fee range</i>
Illinois	\$79
Wisconsin	75
Maryland	64-90 ^a
Vermont	60
Alaska	50
North Dakota	49-274 ^b
Texas	40.80-61.31+ ^b
Washington	40-60+ ^a
Delaware	40
Virginia	39.50-44.50 ^a
Connecticut	37.50
Pennsylvania	36
New Jersey	35.50-84 ^b
Idaho	35-60 ^c
Maine	35
Ohio	34.50-54.50 ^d
California	34
Michigan	33-148 ^e
Nevada	33 ^f
New Hampshire	31.20-55.20 ^a
Rhode Island	30-972+ ^a
Kansas	30-40 ^a
West Virginia	30
Montana	28-217 ^g
North Carolina	28
Florida	27.60-45.60 ^a (\$100 at first registration)
Oregon	27
New Mexico	25.50-60.50 ^b
Hawaii	25 plus 0.75¢-1.25¢ per pound
Tennessee	25
Oklahoma	23-93 ^g
Alabama	23
South Dakota	21-65 ^b
Utah	21-49.50+ ^a
Kentucky	21
Indiana	20.75
Georgia	20
Nebraska	20
Missouri	18.25-51.25 ^h
Massachusetts	18 plus an excise tax

Appendix C: States' Annual Passenger Vehicle Registration Fees
(from highest to lowest minimum fee) (cont'd)

<i>State</i>	<i>Fee or fee range</i>
Arkansas	\$17-30 ^a
Wyoming	15
South Carolina	12
New York	10.25-56 ^a
Louisiana	10-41 ⁱ
Colorado	10-17.50 plus 20¢-60¢ per 100 pounds
Minnesota	10 plus 1.25% of base value ^l
Mississippi	10
Arizona	8
Iowa	A percentage of value as determined by Department of Motor Vehicles, plus 40¢ per 100 pounds

Notes

- a. Based on vehicle weight.
- b. Based on vehicle age and weight.
- c. Based on vehicle age and county of residence.
- d. Based on county of registration.
- e. Based on list price.
- f. For each of the first four cars registered; fee declines for additional cars registered to \$8 for nine or more cars.
- g. Based on vehicle age.
- h. Based on statutory horsepower (a number calculated from engine displacement, not actual horsepower).
- i. Based on a percentage of value.
- j. Not over \$189 in the first year and \$99 in later years.

Sources: Commerce Clearing House, *State Tax Guide* (looseleaf to date); *AAA Digest of Motor Laws*, 74th ed. (current through Nov. 2007); and states' motor vehicle department Internet sites.