

STATE MOTOR FUEL TAX INCREASES: 2013-2017

Since 2013, 26 states have increased or adjusted taxes on motor fuel to support needed transportation investments. Twenty-three of those states increased their state gas tax, while three states— Kentucky, North Carolina and West Virginia— adjusted their variable-rate gasoline tax formula during this time in order to preserve or increase revenue for roads, bridges, transit, and more (Vermont and Utah also adjusted their recently-approved formulas during this time).

Of these recent state gas tax increases:

- Twelve occurred with a Republican governor, and majority Republican legislature (two of these resulted in an override of a governor's veto)
- Six occurred with a Democratic governor, and majority Democratic legislature (one of these resulted in an override of a governor's veto);
- Three occurred where the legislative chambers were different parties;
- Two occurred where the governor and majority-legislature were different parties.

Looking back to 1997, 30 states and the District of Columbia have increased motor fuel related taxes 50 times.

DATE	STATE	MEASURE
Feb. 15, 2013	Wyoming	10 cents-per-gallon increase on the state gas tax.
March 25, 2013	Virginia	Bill to scrap the flat state gas tax, raise the sales tax, create a tax on wholesale gas and diesel and charges registration fee for hybrid, electric and alternative-fuel vehicles.
May 16, 2013	Maryland	Legislation to link the state's flat gas tax to the Consumer Price Index and establish a new 3 percent sales tax on the average wholesale price of gasoline in addition to the flat gas tax (initial 4 cents-per-gallon increase).
July 24, 2013	Massachusetts	Gas tax increase of 3 cents-per gallon. The 2013 bill also indexed the state gas tax to the Consumer Price Index, but this aspect was repealed by a 2014 ballot measure.
Nov. 25, 2013	Pennsylvania	Legislation to eliminate the state retail gas tax paid at the pump and gradually remove the cap on the Oil Company Franchise Tax—charged to companies on the average wholesale price of gasoline.
April 29, 2013	Vermont	New 2 percent tax on the average wholesale price of gasoline (in addition to another 2 percent tax already in place), and a slight decrease in the flat state gas tax.

DATE	STATE	MEASURE
May 22, 2014	New Hampshire	4 cents-per-gallon increase on the state gas tax.
June 19, 2014	Rhode Island	State gas tax increase of 1 cent-per-gallon, linked to the Consumer Price Index (will be evaluated every two years to reflect changes in inflation).
Feb. 24, 2015	Iowa	10 cents-per-gallon state gas tax increase, as well as an increase in oversized/overweight vehicle permit fees.
March 17, 2015	South Dakota	6 cents-per-gallon state gas tax increase, an additional 1 percent to the motor vehicle excise tax, and to raise license plate fees by 20 percent. Counties will also be allowed to increase property taxes for local transportation funding.
March 27, 2015	Utah	5 cents-per-gallon gas tax increase, a new 12 percent tax on the statewide average wholesale price of motor fuel to replace the flat gas tax in the future (once the average wholesale price of fuel reaches \$2.45/gallon), and permission for county transportation funding taxes..
April 21, 2015	Idaho	7 cents-per-gallon gas tax increase, raises vehicle registration fees, and institutes a fee on electric and hybrid cars. Additionally, a 'surplus eliminator' included in House Bill 312a would apportion half of any General Fund surplus for transportation in the next two fiscal years.
May 4, 2015	Georgia	Legislation to eliminate a 4 percent sales tax on motor fuel (half of which was not used for transportation), increase the flat excise tax on gasoline to 26 cents-per-gallon (from 7.5 cents-per-gallon, excluding the 4 percent sales tax), index the new state gas tax to the Consumer Price Index (ending July 2018) and the Corporate Average Fuel Economy, and increase several transportation-related taxes and fees.
May 14, 2015	Nebraska	6 cents-per-gallon state gas tax increase.
July 1, 2015	Washington	11.9 cents-per-gallon state gas tax increase, and an increase in transportation-related fees, including those for overweight vehicles..

DATE	STATE	MEASURE
Nov. 10, 2015	Michigan	Increase in both gasoline and diesel taxes to 26.3 cents-per-gallon, with indexing to inflation starting in 2022. Additional increases to vehicle registration fees, alternative fuel and electric vehicle fees, and General Fund transfers were included in the bill.
Oct. 14, 2016	New Jersey	23 cents-per-gallon gasoline tax increase and 27 cents-per-gallon diesel tax increase, to generate \$16 billion in transportation funding over the next eight years.
April 6, 2017	California	12 cents-per-gallon gasoline tax increase and 20 cents-per-gallon diesel tax increase, with an additional 4 percent increase in the diesel sales tax (beginning Nov. 1, 2017). Legislation also eliminates the Board of Equalization “Gas Tax Swap” and implements a variable-rate motor fuel tax based on changes to the Consumer Price Index (beginning July 1, 2019). Creates a new Transportation Improvement Fee based on the market value of the motor vehicle, and a \$100 fee for electric vehicles.
April 22, 2017	Indiana	Increase state motor fuel taxes by 10 cents-per-gallon, indexed to inflation for the next seven years (capped at a 1 cent increase per year). Legislation also creates a new \$15 annual vehicle fee; Institute a \$150 annual fee for electric vehicles and \$50 for hybrid vehicles, and permits the Indiana Department of Transportation to study tolling as a possible future revenue source, and submit a waiver asking the federal government to allow the state to approve tolling.
April 22, 2017	Montana	Gradually increase the state gas tax by 6 cents-per-gallon and diesel tax by 2 cents-per-gallon.
April 24, 2017	Tennessee	The “Improving Manufacturing, Public Roads and Opportunities for a Vibrant Economy” (IMPROVE) Act, a bill that will gradually increase the state gas tax by 6 cents-per-gallon and the diesel tax by 10 cents-per-gallon. The bill will also raise vehicle registration fees, create an annual \$100 road user fee on electric vehicles and increase taxes on alternative fuel. Additionally, municipalities will be permitted to seek voter approval for a surcharge on their local privilege taxes to be dedicated to public transit projects.
May 10, 2017	South Carolina	Gradually increase the state fuel tax by 12 cents-per-gallon by 2023, institute a \$120 fee for vehicles powered by anything other than motor fuel and \$60 fee for hybrid vehicles, increase biennial registration fees for passenger motor vehicles by \$16, adjust vehicle sales tax, institute a \$250 one-time fee for motor vehicles transferred from another state, and charge out-of-state commercial drivers a fee based on annual miles driven within the state.

DATE**STATE****MEASURE**

July 6, 2017

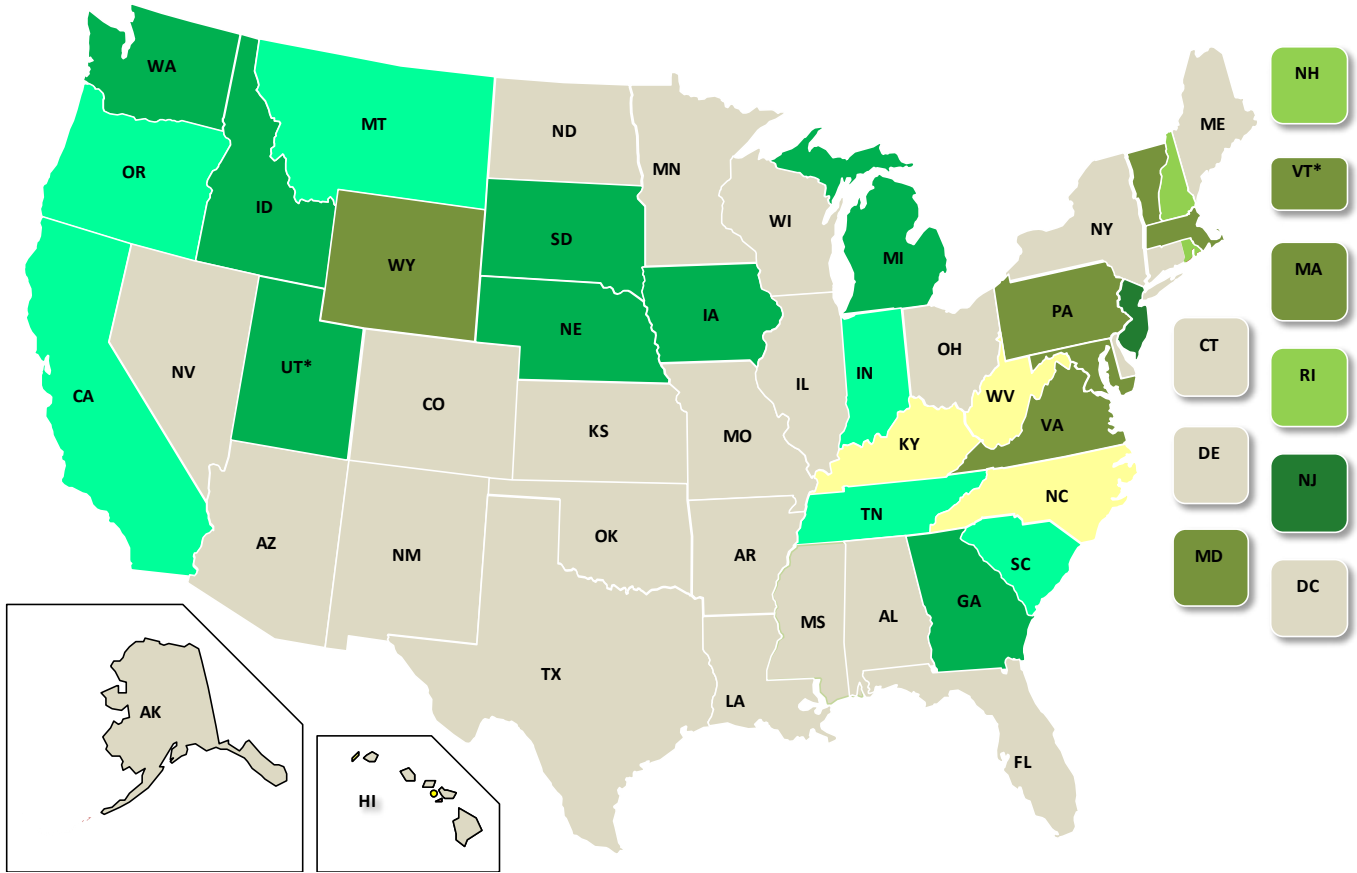
Oregon

Gradually increase the state gas tax by 10 cents-per-gallon (by 2024); raise vehicle-related taxes and fees; institute a new fee charged on the vehicle's gas mileage; an electric vehicle fee; a bicycle tax, and a state payroll tax (used to fund mass transit).

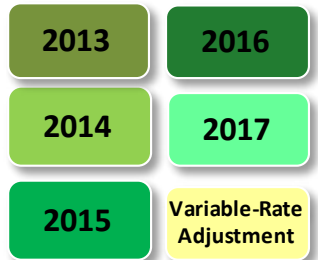
VARIABLE-RATE ADJUSTMENTS: 2013-2017

DATE	STATE	MEASURE
March 19, 2015	Vermont*	House File 488 created a floor on the Motor Fuel Transportation Infrastructure Assessment (a 2 percent tax on the state average retail price of motor fuel, dedicated to the Transportation Infrastructure Bond Fund— one of two variable-rate taxes collected on the state’s motor fuel, in addition to a flat-rate excise tax on gasoline and diesel), so that the minimum the tax can collect on is \$3.96 per gallon
March 25, 2015	Kentucky	House Bill 299 raised the floor on the gas tax so it cannot collect less than 26 cents-per-gallon. The bill also adjusts evaluation to an annual basis, and restricts the tax from increasing or decreasing more than 10 percent per year.
March 26, 2015	North Carolina	The state gas tax is calculated based on changes in both the national Consumer Price Index (making up 25 percent of the new tax) and in the state population (making up 75 percent of the tax). This new formula would replace the state’s previous variable-rate tax, based on the average wholesale price of fuel.
March 8, 2017	Utah*	Adjusts 2015 bill to increase the variable-rate tax to 16 percent of the average wholesale price of gasoline, and lower the trigger price to \$1.78 per gallon (expected to kick in on Jan. 1, 2019).
June 22, 2017	West Virginia	Alter the variable-rate state gas tax component (an additional 5 percent tax on the average wholesale price of gasoline, on top of the 20.5 cents-per-gallon flat excise tax) by raising the floor price (the minimum the tax can be charged at) from \$2.34 per gallon to \$3.04 per gallon. The resulting calculation would ensure that the variable-rate tax would never be less than 15.2 cents-per-gallon

MAP OF STATE MOTOR FUEL TAX INCREASES: 2013-2017



Year of Motor Fuel Tax Increase



* Raised gas tax and adjusted variable-rate 2013-2017

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