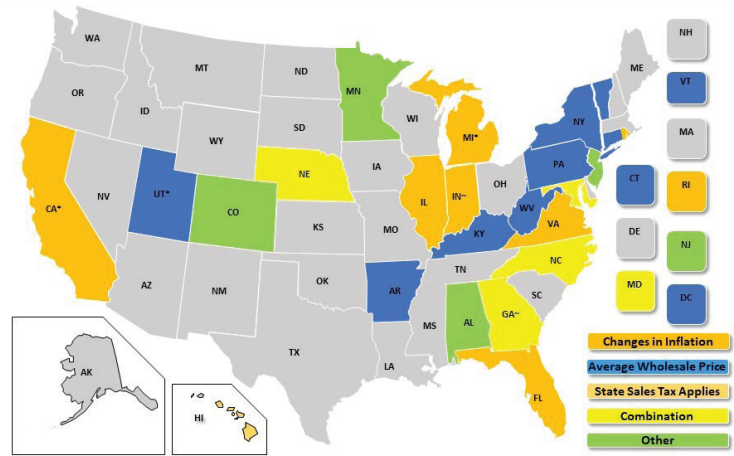


VARIABLE RATE STATE GAS TAXES

A variable-rate gasoline tax is a tax which adjusts the cents-per-gallon charge at the pump based off of a pre-determined formula, chosen by lawmakers to ensure the tax keeps pace with various economic factors such as general inflation (Consumer Price Index or similar), the wholesale price of gasoline (price of gasoline at the distributor level), highway construction costs, or other dynamics.

23 States + DC Use Variable-Rate State Gas Taxes



Source: TIAC, "Variable-Rate State Gas Taxes", July 2023

STATE	GAS TAX FORMULA	FREQUENCY RATE IS UPDATED	CEILING/FLOOR	YEAR APPROVED
Alabama	National Highway Construction Cost Index	Two years	Each adjustment cannot exceed an increase or decrease of more than \$.01 per net gallon of gasoline or diesel fuel.	2019
Arkansas	Average Wholesale Price of Fuel	Annual	Cannot increase more than 0.1 cents each year. If the average wholesale price of fuel is less than the previous year the tax will not decrease.	2019
California	California Consumer Price Index	Annual		2017
Colorado	National Highway Construction Cost Index	Annual		2021 (effective 2032)
Connecticut	Average Wholesale Price of Fuel	Daily	PGRE tax of 8.1 percent, capped at \$3 per gallon.	2013
Florida	Consumer Price Index	Annual	Floor of 6.9 cents-per-gallon.	2015
Georgia	Consumer Price Index + Vehicle Fuel-Efficiency (CAFE Standards)	Annual		2015
Hawaii	General State Sales Tax			
Illinois	Consumer Price Index + General State Sales Tax	Annual		2019
Indiana	Consumer Price Index (sunset date) + General State Sales Tax	Annual		2017
Kentucky	Average Wholesale Price of Fuel	Annual	10 percent change limit; cannot collect less than 26 cents-per-gallon.	2015
Maryland	Consumer Price Index + Average Wholesale Price of Fuel	Annual	If there is a decline or no growth in CPI the motor fuel tax does not change. The excise tax rate has a ceiling of 8 percent of the previous year's rate.	2013
Michigan	Consumer Price Index	Annual		2015
Minnesota	Minnesota Highway Construction Cost Index	Annual	The adjusted rate must equal the current rate, multiplied by one plus the percentage increase, if any. Percent change must not exceed 3 percent.	2023
Nebraska	Average Wholesale Price of Fuel + Appropriation Decisions	Six Months		2016
New Jersey	Revenue Collections + Average Wholesale Price of Fuel	Annual		2016
New York	Average Wholesale Price of Fuel	Annual	Rate change cannot be greater than 5 percent of the previous year's rate.	2013
North Carolina	Consumer Price Index + State Population Changes	Annual		2015
Pennsylvania	Average Wholesale Price of Fuel	Annual	Floor of \$2.99, preventing the tax from collecting below that level.	2015
Rhode Island	Consumer Price Index	Two Years	Floor in place preventing generated proceeds from falling below 2015 rates of 33 cents-per-gallon.	2015
Utah	Consumer Price Index + Average Wholesale Price of Fuel	Annual	Once the average wholesale price of motor fuel reaches \$1.78 per gallon, the tax cannot fall less than that amount (collecting no less than 29 cents-per-gallon), and cannot increase more than 40 cents-per-gallon.	2015
Vermont	Average Wholesale Price of Fuel	Quarterly		2015
Virginia	Consumer Price Index	Annual	Annual change cannot be less than zero.	2020
West Virginia	Average Wholesale Price of Fuel	Annual	Wholesale tax rate cannot fluctuate more than 10 percent from the previous year, or fall below \$3.04 per gallon.	2017
D.C.	Washington Area Consumer Price Index	Annual		2020