

Survey of State and Local Gasoline Taxes

This information brief presents a comparison of total state and local taxes on motor fuel in each state and the District of Columbia. It shows that Minnesota is tied for 24th place among the states in total taxes on gasoline and tied for 28th place for diesel fuel.

The purpose of this survey is to give a true picture of the total tax the motorist pays at the pump for gasoline and diesel fuel in each state. This means that the total tax shown includes:

- < per-gallon taxes imposed by each state, and by some localities in some states;
- < state and local sales taxes on gasoline, where applicable; and
- < inspection and environmental-cleanup fees on fuels.

Inclusion of all these taxes is necessary to show the entire picture of the tax burden placed on users of motor fuel. Some states have relatively low state per-gallon taxes but add a substantial sales tax to the price at the pump. Some localities add a local fuel tax or sales tax onto state taxes, as an alternative to a high state tax that is shared with local governments. Additionally, an increasing number of states are adopting per-gallon "fees" on motor fuels to build up special funds to clean up pollution caused by leaking underground fuel storage tanks or to pay for other environmental protection. Some of these taxes (including Minnesota's) can add as much as two cents per gallon to the retail price of fuel.

The true tax burden on motor fuel can be accurately shown only by including all these taxes and fees.

The survey shows total taxes in effect on December 31, 2001. Retail prices, which are used to obtain a per-gallon equivalent for sales taxes and other price-based taxes, are those determined by the U.S. Energy Information Agency to be the Midwest averages for gasoline and diesel fuel on that date. Both prices include all state and federal fuel taxes, but in some of the states where gasoline and diesel fuel are subject to sales taxes one or both of these taxes may be deducted in order to obtain the taxable price.

Minnesota's rank of 24th in gasoline taxes and 28th in diesel taxes represents a drop from the state's previous position of 19th in both taxes in the last edition of this survey in December, 1996.

Explanation of Column Headings

(These column headings apply to both the gasoline and diesel fuel tables.)

(1) State Fuel Tax. The per-gallon tax that each state imposes on gasoline or diesel fuel, as of December 31, 2001. For states where the tax is set by a state agency rather than written into law (based on factors such as price, fuel consumption, highway costs, etc.) the tax shown is the most recent administrative determination. Taxes on diesel fuel do not include taxes that apply only to commercial vehicles or heavy trucks.

(2) Local Fuel Tax. The per-gallon taxes imposed by counties and/or cities. These taxes are the statewide average effective rate even though they are not in effect at the same rate throughout the state. Local taxes are weighted by population in order to determine a statewide average.

(3) State Sales Tax Rate. The state sales tax rate in effect in those states where gasoline or diesel fuel, or both, are subject to the sales tax. In some states the sales tax on gasoline is figured on an estimated statewide selling price for fuel rather than on the actual pump price for each sale. In these cases, the tax rate is shown as 0% even though a sales tax is imposed.

(4) State Sales Tax. The sales tax on motor fuel converted to cents per gallon, based on the taxable sales price per gallon. The taxable price in some states is the pump price, in other states the pump price less state or federal taxes, or both. In states where the tax is figured on a statewide rather than at-the-pump basis the sales tax is shown as cents per gallon even though the rate may be shown as 0%.

(5) Local Sales Tax Rate. For those states with local sales taxes which apply to motor fuel. For each state a statewide rate has been determined in the same manner as for local per-gallon taxes.

(6) Local Sales Tax. Converted to cents per gallon, based on the taxable sales price per gallon.

(7) Inspection/Environmental Fee. The state fee or tax dedicated to cleaning up underground fuel storage tank pollution or otherwise alleviating pollution caused by leaking fuel. This column also includes product inspection fees where they exceed 1/10th cent. The fees are assumed to be imposed in all cases even though in some cases they are “blink-on” fees such as Minnesota’s petrofund fee, being imposed only when the balance in a particular fund reaches a certain level.

(8) Total Tax. Combined state and local per-gallon and sales taxes and environmental fees.

The rankings in the following tables should be seen as general and not precise indications of the relative positions of the states. The amount of tax which separates one state from another is sometimes quite small (as low as a tenth of a cent) and a state’s ranking can be affected by slight changes in prices or tax rates.

State Taxes on Gasoline (\$/Gallon)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		State Fuel Tax	Local Fuel Tax	State Sales Tax Rate	State Sales Tax	Local Sales Tax Rate	Local Sales Tax	Env/Insp Fee	Total Tax
1	New York	0.2200	0.000	0.00%	0.086	3.94%	0.045	0.003	0.3538
2	Hawaii	0.1600	0.150	4.00%	0.033	0.00%	0.000	0.001	0.3445
3	Nevada	0.2300	0.094	0.00%	0.000	0.00%	0.000	0.013	0.3370
4	California	0.1800	0.000	0.00%	0.085	2.00%	0.023	0.009	0.2967
5	Connecticut	0.2500	0.000	5.00%	0.045	0.00%	0.000	0.000	0.2954
6	Florida	0.0400	0.137	0.00%	0.096	0.00%	0.000	0.021	0.2940
7	Rhode Island	0.2800	0.000	0.00%	0.000	0.00%	0.000	0.010	0.2900
8	Illinois	0.1900	0.028	0.00%	0.040	1.75%	0.020	0.003	0.2809
9	Michigan	0.1900	0.000	0.00%	0.081	0.00%	0.000	0.009	0.2798
10	Montana	0.2700	0.000	0.00%	0.000	0.00%	0.000	0.008	0.2780
11	Wisconsin	0.2730	0.000	0.00%	0.000	0.00%	0.000	0.003	0.2760
12	Pennsylvania	0.2600	0.000	0.00%	0.000	0.00%	0.000	0.005	0.2650
13	Idaho	0.2500	0.000	0.00%	0.000	0.00%	0.000	0.010	0.2600
14	West Virginia	0.2050	0.000	0.00%	0.052	0.00%	0.000	0.000	0.2565
15	Delaware	0.2300	0.000	1.62%	0.018	0.00%	0.000	0.000	0.2484
16	Washington	0.2300	0.000	0.00%	0.000	1.50%	0.017	0.001	0.2480
	Nebraska	0.2390	0.000	0.00%	0.000	0.00%	0.000	0.009	0.2480
18	Utah	0.2450	0.000	0.00%	0.000	0.00%	0.000	0.003	0.2480
19	North Carolina	0.2430	0.000	0.00%	0.000	0.00%	0.000	0.003	0.2455
20	Oregon	0.2400	0.004	0.00%	0.000	0.00%	0.000	0.000	0.2440
	South Dakota	0.2200	0.000	0.00%	0.000	0.00%	0.000	0.020	0.2400
22	Maryland	0.2350	0.000	0.00%	0.000	0.00%	0.000	0.000	0.2350
23	Maine	0.2200	0.000	0.00%	0.000	0.00%	0.000	0.012	0.2320
24	Ohio	0.2200	0.000	0.00%	0.000	0.00%	0.000	0.000	0.2200
	Colorado	0.2200	0.000	0.00%	0.000	0.00%	0.000	0.000	0.2200
	MINNESOTA	0.2000	0.000	0.00%	0.000	0.00%	0.000	0.020	0.2200
27	Arkansas	0.2150	0.000	0.00%	0.000	0.00%	0.000	0.002	0.2170
28	North Dakota	0.2100	0.000	0.00%	0.000	0.00%	0.000	0.003	0.2130
29	Kansas	0.2000	0.000	0.00%	0.000	0.00%	0.000	0.010	0.2100
	Iowa	0.2000	0.000	0.00%	0.000	0.00%	0.000	0.010	0.2100

State Taxes on Gasoline (\$/Gallon)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	State Fuel Tax	Local Fuel Tax	State Sales Tax Rate	State Sales Tax	Local Sales Tax Rate	Local Sales Tax	Env/Insp Fee	Total Tax
Massachusetts	0.2100	0.000	0.00%	0.000	0.00%	0.000	0.000	0.2100
32 Tennessee	0.2000	0.000	0.00%	0.000	0.00%	0.000	0.004	0.2040
33 Texas	0.2000	0.000	0.00%	0.000	0.00%	0.000	0.001	0.2013
34 Louisiana	0.2000	0.000	0.00%	0.000	0.00%	0.000	0.001	0.2006
35 Vermont	0.1900	0.000	0.00%	0.000	0.00%	0.000	0.010	0.2000
Dist. Columbia	0.2000	0.000	0.00%	0.000	0.00%	0.000	0.000	0.2000
37 Indiana	0.1500	0.000	4.90%	0.039	0.00%	0.000	0.008	0.1973
38 New Hampshire	0.1800	0.000	0.00%	0.000	0.00%	0.000	0.015	0.1950
39 Alabama	0.1600	0.014	0.00%	0.000	0.00%	0.000	0.020	0.1940
40 Arizona	0.1800	0.000	0.00%	0.000	0.00%	0.000	0.010	0.1900
41 Mississippi	0.1800	0.004	0.00%	0.000	0.00%	0.000	0.004	0.1876
42 Virginia	0.1750	0.000	0.00%	0.000	0.55%	0.006	0.006	0.1872
43 Missouri	0.1700	0.000	0.00%	0.000	0.00%	0.000	0.017	0.1870
44 New Mexico	0.1700	0.000	0.00%	0.000	0.00%	0.000	0.010	0.1800
45 Oklahoma	0.1600	0.000	0.00%	0.000	0.00%	0.000	0.010	0.1700
46 South Carolina	0.1600	0.000	0.00%	0.000	0.00%	0.000	0.008	0.1675
47 Kentucky	0.1500	0.000	0.00%	0.000	0.00%	0.000	0.014	0.1640
48 Georgia	0.0750	0.000	4.00%	0.042	2.00%	0.023	0.010	0.1502
49 New Jersey	0.1450	0.000	0.00%	0.000	0.00%	0.000	0.000	0.1450
50 Wyoming	0.1300	0.000	0.00%	0.000	0.00%	0.000	0.010	0.1400
51 Alaska	0.0800	0.000	0.00%	0.000	0.00%	0.000	0.000	0.0800

State Taxes on Diesel Fuel (\$/Gallon)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		State Fuel Tax	Local Fuel Tax	State Sales Tax Rate	State Sales Tax	Local Sales Tax Rate	Local Sales Tax	Env/Insp Fee	Total Tax
1	Florida	0.2510	0.137	0.00%	0.0000	0.00%	0.000	0.019	0.407
2	Nevada	0.2700	0.094	0.00%	0.0000	0.00%	0.000	0.013	0.377
3	Hawaii	0.1600	0.150	4.00%	0.0335	0.00%	0.000	0.001	0.345
4	New York	0.2025	0.000	0.00%	0.0810	3.94%	0.045	0.003	0.332
5	Pennsylvania	0.3090	0.000	0.00%	0.0000	0.00%	0.000	0.001	0.310
6	Wisconsin	0.2730	0.000	0.00%	0.0000	0.00%	0.000	0.030	0.303
7	Illinois	0.2150	0.012	0.00%	0.0400	1.75%	0.020	0.011	0.298
8	Rhode Island	0.2800	0.000	0.00%	0.0000	0.00%	0.000	0.010	0.290
9	Montana	0.2775	0.000	0.00%	0.0000	0.00%	0.000	0.008	0.286
10	California	0.1800	0.000	0.00%	0.0650	1.90%	0.022	0.009	0.276
11	Vermont	0.2500	0.000	0.00%	0.0000	0.00%	0.000	0.010	0.260
	Idaho	0.2500	0.000	0.00%	0.0000	0.00%	0.000	0.010	0.260
13	West Virginia	0.2050	0.000	0.00%	0.0515	0.00%	0.000	0.000	0.257
14	Delaware	0.2200	0.000	2.55%	0.0293	0.00%	0.000	0.000	0.249
15	Nebraska	0.2390	0.000	0.00%	0.0000	0.00%	0.000	0.009	0.248
	Utah	0.2450	0.000	0.00%	0.0000	0.00%	0.000	0.003	0.248
17	Oregon	0.2400	0.004	0.00%	0.0000	0.00%	0.000	0.000	0.244
18	Maryland	0.2425	0.000	0.00%	0.0000	0.00%	0.000	0.000	0.243
19	North Carolina	0.2410	0.000	0.00%	0.0000	0.00%	0.000	0.000	0.241
20	Kansas	0.2300	0.000	0.00%	0.0000	0.00%	0.000	0.010	0.240
	South Dakota	0.2200	0.000	0.00%	0.0000	0.00%	0.000	0.020	0.240
	Michigan	0.1500	0.000	0.00%	0.0810	0.00%	0.000	0.009	0.240
23	Maine	0.2300	0.000	0.00%	0.0000	0.00%	0.000	0.007	0.237
24	Iowa	0.2250	0.000	0.00%	0.0000	0.00%	0.000	0.010	0.235
25	Washington	0.2300	0.000	0.00%	0.0000	0.00%	0.000	0.001	0.231
26	Arkansas	0.2250	0.000	0.00%	0.0000	0.00%	0.000	0.002	0.227
27	Connecticut	0.1800	0.000	5.00%	0.0459	0.00%	0.000	0.000	0.226
28	Ohio	0.2200	0.000	0.00%	0.0000	0.00%	0.000	0.000	0.220
	MINNESOTA	0.2000	0.000	0.00%	0.0000	0.00%	0.000	0.020	0.220
30	Massachusetts	0.2100	0.000	0.00%	0.0000	0.00%	0.000	0.005	0.215

State Taxes on Diesel Fuel (\$/Gallon)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		State Fuel Tax	Local Fuel Tax	State Sales Tax Rate	State Sales Tax	Local Sales Tax Rate	Local Sales Tax	Env/Insp Fee	Total Tax
31	North Dakota	0.2100	0.000	0.00%	0.0000	0.00%	0.000	0.000	0.210
32	Colorado	0.2050	0.000	0.00%	0.0000	0.00%	0.000	0.000	0.205
33	Louisiana	0.2000	0.000	0.00%	0.0000	0.00%	0.000	0.001	0.201
	Texas	0.2000	0.000	0.00%	0.0000	0.00%	0.000	0.001	0.201
35	Dist. Columbia	0.2000	0.000	0.00%	0.0000	0.00%	0.000	0.000	0.200
	Alabama	0.1700	0.010	0.00%	0.0000	0.00%	0.000	0.020	0.200
37	Indiana	0.1600	0.000	5.00%	0.0372	0.00%	0.000	0.000	0.197
38	New Hampshire	0.1800	0.000	0.00%	0.0000	0.00%	0.000	0.015	0.195
39	New Mexico	0.1800	0.000	0.00%	0.0000	0.00%	0.000	0.010	0.190
	Arizona	0.1800	0.000	0.00%	0.0000	0.00%	0.000	0.010	0.190
41	Mississippi	0.1800	0.004	0.00%	0.0000	0.00%	0.000	0.004	0.188
42	Missouri	0.1700	0.000	0.00%	0.0000	0.00%	0.000	0.017	0.187
43	New Jersey	0.1750	0.000	0.00%	0.0000	0.00%	0.000	0.000	0.175
44	Tennessee	0.1700	0.000	0.00%	0.0000	0.00%	0.000	0.004	0.174
45	Virginia	0.1600	0.000	0.00%	0.0000	0.50%	0.006	0.006	0.172
46	South Carolina	0.1600	0.000	0.00%	0.0000	0.00%	0.000	0.008	0.168
47	Georgia	0.0750	0.000	4.00%	0.0429	2.00%	0.023	0.010	0.151
48	Wyoming	0.1300	0.000	0.00%	0.0000	0.00%	0.000	0.010	0.140
	Oklahoma	0.1300	0.000	0.00%	0.0000	0.00%	0.000	0.010	0.140
50	Kentucky	0.1200	0.000	0.00%	0.0000	0.00%	0.000	0.014	0.134
51	Alaska	0.0800	0.000	0.00%	0.0000	0.00%	0.000	0.000	0.080