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## **Transportation Investment Advocacy Center Resource Guide Looks at Variable-Rate State Gas Taxes**

**(WASHINGTON)**—New research conducted by the Transportation Investment Advocacy Center (TIAC) has found that 18 states and the District of Columbia are using variable-rate gasoline taxes to generate revenue to help finance highway and bridge improvements.

A variable-rate gasoline tax, or one that adjusts the cents-per-gallon charge at the pump based off of the wholesale price of gasoline, general economic inflation, or a combination of the two, is an alternative to a flat excise tax on gasoline. A flat excise tax charges a fixed cents-per-gallon amount on fuel purchases and does not respond to external economic factors, such as the rising cost of construction due to inflation.

The TIAC, which is operated by the American Road & Transportation Builders Association, has published the resource guide to provide transportation advocates with background information about current state laws.

Nine of the states that have instituted a variable component—California, Connecticut, Georgia, Indiana, Nebraska, New York, North Carolina, Vermont and West Virginia—have a flat tax and an additional percentage-based tax on the wholesale price of gasoline. Three states— Kentucky, Pennsylvania (starting January 2017) and Virginia—determine their gasoline prices solely by a percentage of the wholesale price of gas.

Two states—Florida and Rhode Island (starting July 2015)—determine gas prices by consulting the Consumer Price Index (CPI) for economic changes, while Maryland adjusts its state gas tax according to CPI and the wholesale price of gasoline.

Several others consider additional components when determining the state gas tax, including recalculating the tax in order to sufficiently make payments on state highway improvement bonds in Nebraska and charging a general state sales tax and use tax in addition to a flat excise tax in Hawaii, Michigan and Illinois. Some states, like New Jersey, charge a petroleum gross receipts tax, imposed on either the sale of petroleum products or the gross receipts of the petroleum company.

The full report is available on the TIAC website: [www.transportationinvestment.org](http://www.transportationinvestment.org).

TIAC is an internet-based educational platform that features detailed reports, analyses and case studies of recent transportation funding campaigns—both successful and unsuccessful—

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mounted in numerous states. It includes television, radio and print ads, polling, an overview of state and local funding and finance mechanisms, and an ongoing blog detailing new developments across the nation.

Established in 1902, Washington, D.C.-based ARTBA is the “consensus voice” of the U.S. transportation design and construction industry before Congress, federal agencies, the White House, news media and the general public.

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