



State Transportation Related Taxes and Fees on Alternative-Fuel & Electric Vehicles

January 2016

About TIAC

The Transportation Investment Advocacy Center™ (TIAC) is a first-of-its kind, dynamic education program and Internet-based information resource designed to help private citizens, legislators, organizations and businesses successfully grow transportation investment at the state and local levels through the legislative and ballot initiative processes.

The TIAC website, www.transportationinvestment.org, helps transportation investment advocates to mount successful campaigns. It exists to put in one place—and promote the sharing of—strategies... sample political and communications tools... legislative and ballot initiative language... and information on where to obtain professional campaign advice, research and help. To subscribe to at no cost—and receive via email—the regularly updated TIAC blog, visit the website.

TIAC staff produces regular research reports and analyses, hosts an annual workshop in Washington, D.C. (scheduled for July 13, 2016), and holds ongoing webinars for transportation investment advocates featuring case studies, best practices, and the latest in political and media strategies. State and local chamber of commerce executives, state legislators, state and local transportation officials, “Better Roads & Transportation” group members, industry and labor executives, and leaders of state and local chapters of national organizations who have an interest in transportation development programs are welcomed to participate.

The Center’s program of work is also guided by a Transportation Investment Advocates Council, a national network of business professionals and public officials who share a common interest in building support for transportation infrastructure investments in their state or local community—roads, bridges, public transit, pedestrian walkways and cycling paths, airports, waterways, ports and rail facilities.

The TIAC is a project of the American Road and Transportation Builders Association’s “Transportation Makes America Work!”™ (TMAW) and supported through voluntary contributions and sponsorships.

To become a sponsor or to make a contribution, contact TIAC Manager Carolyn Kramer at ckramer@artba.org or 202-289-4434. Also contact Ms. Kramer if you have questions or comments about any reports or case studies published through the TIAC.

©2016 by the American Road & Transportation Builders Association (ARTBA). All rights reserved. No part of this document may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission of ARTBA.

Executive Summary

As the use of alternative-fuel and electric cars and trucks continues to grow as a share of the U.S. fleet, state governments are relying on a mixture of user fees and taxes to ensure these drivers are contributing their fair share to highway and bridge construction and maintenance programs.

The number of alternative-fuel cars and light trucks is expected to grow from 21.5 million vehicles in 2016—accounting for 9 percent of the U.S. vehicle stock—to 29.3 million vehicles in 2021, or about 12 percent of the entire fleet, according to data from the U.S. Energy Information Administration.^[1] Alternative-fuel vehicles include electric cars and trucks, hybrids, and vehicles that run on propane, fuel cells and natural gas.

One key challenge for state governments is that these vehicles still cause wear and tear on roads and bridges, but are not paying as much in motor fuel related taxes because they use significantly less gas and diesel fuel. Alternative-fuel cars average anywhere from 50 miles per gallon for an electric-gasoline hybrid to as much as 132 miles per gallon for an electric vehicle. This is compared to an average of 26 miles per gallon for the entire stock of U.S. cars.

This report provides information on some of the strategies states are using to address the issue of alternative-fuel vehicles. Its main findings:

- 45 states levy a cents per gallon excise tax on the purchase of alternative fuels;
- 10 states require electric vehicle owners to pay a fee;
- 13 states provide the option for alternative fuel vehicle owners to pay a fee rather than an excise tax;
- 6 states require alternative fuel dealers to obtain a special fuel license or pay a fee; and
- 2 states apply only the state general sales and use tax to alternative fuels.

Several different alternative fuels can be used to propel a motor vehicle. Some of the alternative fuels discussed in this report include:

Liquefied petroleum gas (LPG, also known as propane): A byproduct of natural gas and crude oil production, compressed in a tank in order to become liquid. On a vehicle, LPG is stored in a tank pressurized to approximately 150 pounds per square inch. Compared to gasoline, LPG has a higher octane rating (preventing engine kickback) and increases engine service life, but has a lower British Thermal units (Btu) energy rating (requiring more fuel to drive the same distance).

Compressed natural gas (CNG): Natural gas compressed to less than 1 percent of its volume in standard atmospheric pressure. CNG is sold (and taxed, when the state chooses an excise tax) on its gasoline-gallon-equivalent (GGE), which is a measurement based on the energy content of a gallon of gasoline. One GGE equals 5.66 pounds of CNG.

Liquefied natural gas (LNG): The liquid form of natural gas after it is purified and cooled to -260 degrees Fahrenheit. While expensive, LNG is particularly suited for long-distance driving due to its density and greater amount of energy by volume. LNG is also sold (and taxed, when the state chooses an excise tax) on its gasoline-gallon-equivalent (GGE).

Biodiesel: Can be produced domestically for diesel engines from items such as vegetable oil, animal fat or recycled grease. In liquid form, pure biodiesel is referred to as B100. Blended biodiesel forms are referred to as B20 (20% biodiesel, 80% petroleum diesel), B5 (5% biodiesel, 95% petroleum diesel) and B2 (2% biodiesel, 98% petroleum diesel).

Ethanol: Created from plant mass called “biomass”, typically consisting of corn as well as other plant materials. Ethanol is most often sold as ‘E85’, a high-level blend having between 51 percent to 83 percent ethanol (subject to season and geography).

Hydrogen: An energy source for zero-emission fuel cell vehicles, such as electric vehicles, or internal combustion engines.

There are many different ways states tax alternative fuels in order to generate revenue. The most common method is to charge a per-gallon excise tax on the use of alternative fuels.

To charge per gallon of alternative fuel used or sold, several fuels—including compressed natural gas (CNG) and liquid natural gas (LNG)—are often converted into the gasoline-gallon-equivalent or diesel-gallon-equivalent (also referred to as a motor fuel gallon equivalent, or MFGE). A gallon equivalent is determined by comparing the energy content (BTUs) of the alternative fuel to gasoline/diesel. The chart below from the National Renewable Energy Laboratory illustrates alternative fuel conversion rates:

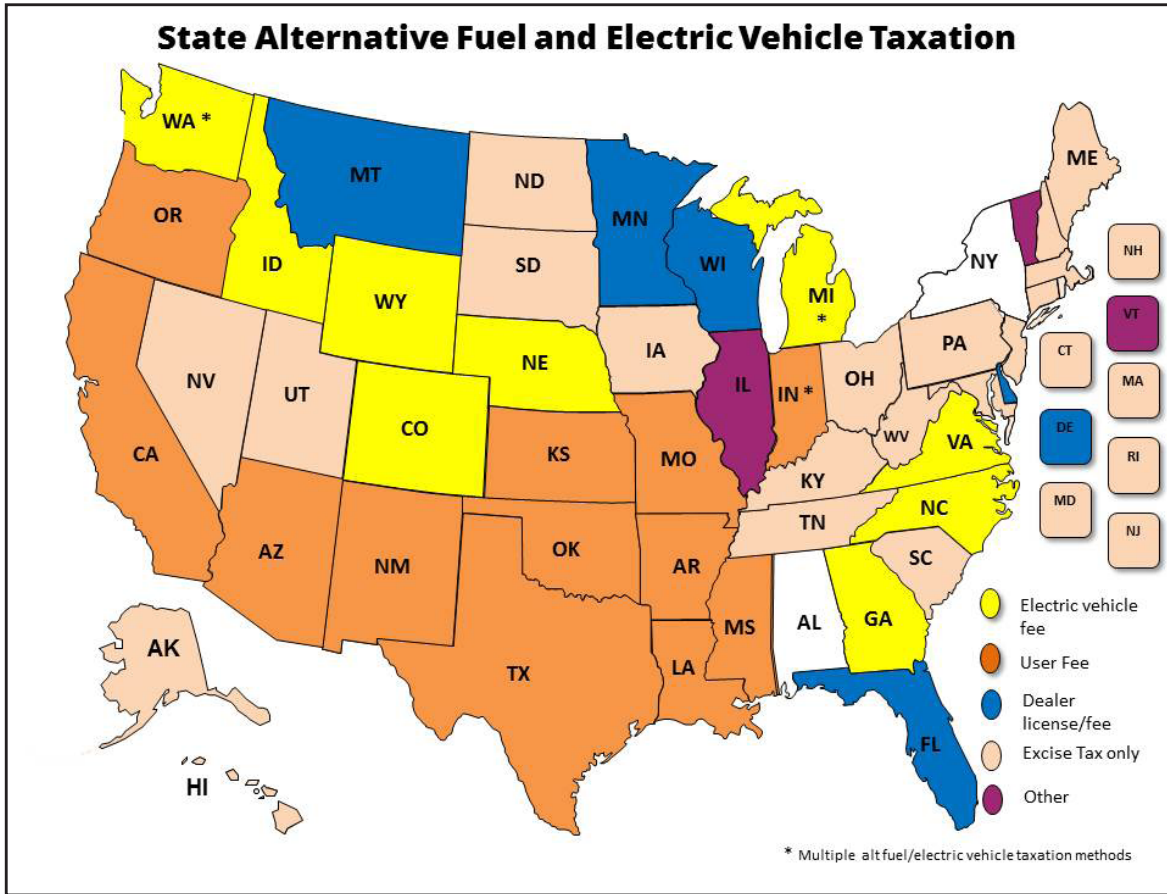
Figure 1: Alternative Fuel Conversion Rates, from the National Renewable Energy Laboratory.

Alternative Fuel Conversion Rates		
Fuel	British Thermal Units (BTU)/Gallon	Gasoline Gallon Equivalent
Gasoline	114,100	1
No. 2 diesel	128,700	1.13 gallons
Compressed natural gas (CNG)	114,100	126.67 cu. ft./5.66 pounds
Liquefied natural gas (LNG)	74,700	0.65 gallons
Liquefied petroleum gas (LPG, also known as propane)	83,500	0.73 gallons
Ethanol	81,600	0.72 gallons
Biodiesel (B100)	117,100	1.03 gallons
Biodiesel (B20)	126,380	1.11 gallons

Some states provide the option for owners of alternative fuel vehicles to pay an annual fee in lieu of an excise tax. This fee can include a decal, permit or license, and is generally administered at the time of vehicle registration or inspection. Several states have a flat fee, while others utilize a varied fee based on vehicle-miles traveled or vehicle weight. A fee may also be imposed on dealers of alternative fuels. Alternatively, some states require owners to pay both an annual fee and an excise tax.

Electric and hybrid vehicle taxes also vary widely in amount, as well as how they are administered. At the time of publication, eight states required personal electric vehicle or hybrid owners to pay an annual road use fee.

In addition to the fees and excise tax mentioned above, there are several alternative methods states use to tax alternative vehicles. Several apply the state’s general sales and use tax to alternative fuel purchases. Innovative programs are also attracting a lot of interest. Oregon, for example, in 2015 launched a test program to tax volunteer drivers by the amount of vehicle miles traveled, as opposed to how much fuel they consume.



How States Tax Alternative Fuels and Electric Vehicles

State	Alternative Fuels Tax				Electric Vehicle User Fee
	Alternative Fuel User Fee	Alternative Fuel Dealer Fee	Cents-Per-Gallon Excise Tax	Other	
Alabama					
Alaska			X		
Arizona	X				
Arkansas	X		X		
California	X		X		
Colorado			X		X
Connecticut			X		
Delaware		X	X		
Florida		X			
Georgia			X		X
Hawaii			X		
Idaho			X		X
Illinois			X	X	
Indiana	X	X	X		

How States Tax Alternative Fuels and Electric Vehicles

State	Alternative Fuels Tax				Electric Vehicle User Fee
	Alternative Fuel User Fee	Alternative Fuel Dealer License/Fee	Cents-Per-Gallon Excise Tax	Other	
Iowa			X		
Kansas	X		X		
Kentucky			X		
Louisiana	X		X		
Maine			X		
Maryland			X		
Massachusetts			X		
Michigan		X	X		X
Minnesota		X	X		
Mississippi	X		X		
Missouri	X		X		X
Montana		X	X		
Nebraska			X		X
Nevada			X		
New Hampshire			X		
New Jersey			X		
New Mexico	X		X		
New York					
North Carolina			X		X
North Dakota			X		
Ohio			X		
Oklahoma	X		X		
Oregon	X		X		
Pennsylvania			X		
Rhode Island			X		
South Carolina			X		
South Dakota			X		
Tennessee			X		
Texas	X		X		
Utah			X		
Vermont				X	
Virginia			X		X
Washington	X		X		X
West Virginia			X		
Wisconsin		X	X		
Wyoming			X		X

Electric Vehicle User Fees

As the use of electric and hybrid vehicles increases, states are increasingly considering electric vehicle user fees in order to ensure electric vehicle operators are fairly contributing to the maintenance of roads. Currently, nine states have laws in place to charge electric vehicle users an annual fee. The fee ranges from \$50 (in Colorado and Wyoming) to \$200 (Georgia and Michigan) per year. Three states— Idaho, Michigan and Washington— also have a user fee for hybrid vehicles.

State Electric Vehicle User Fees

State	Amount	Frequency	Hybrids
Colorado	\$50	Annual	No
Georgia	\$200 (noncommercial)	Annual	No
Idaho	\$140	Annual	Yes-\$75
Michigan	\$100-200 (electric)	Annual	Yes- \$30-100
Missouri	\$75 (passengar)	Annual	No
Nebraska	\$75	Annual	No
North Carolina	\$100	Annual	No
Virginia	\$64	Annual	Yes (plug-in-hybrids)
Washington	\$100	Annual	No
Wyoming	\$50	One-time	No

Alternative Fuel User Fees

States may choose to apply an alternative fuel user fee to owners of alternative fuel motor vehicles in lieu of, or in addition to, a per-gallon excise tax paid at the pump. Currently, 13 states administer alternative fuel user fees. The fee may be a flat rate as determined by the state, or can fluctuate depending on vehicle purpose or weight. Generally, the fee— which may come in the form of a decal or special license— must be renewed on an annual basis at the time of registration.

Alternative Fuel User Fees	
State	Tax and Amount
Arizona	Annual vehicle license tax: \$4 for each \$100 of the vehicle's value
Arkansas	<p>Nonfarm Vehicles Annual Fee (farm vehicles charged under separate pay structure):</p> <ul style="list-style-type: none"> • Passenger cars and motor homes: \$164 • Pickup trucks, one-half (1/2) and three-quarter (3/4) ton: \$195 • Pickup trucks, one (1) ton: \$251 • Trucks, maximum gross loaded weight in excess of one (1) ton but not exceeding 22,500 pounds: \$520 • Passenger buses, except school buses manufactured and licensed as such: \$520 • School buses manufactured and licensed as such: \$260 • Trucks, maximum gross loaded weight in excess of 22,500 pounds: \$609
California	<p>Annual fee:</p> <ul style="list-style-type: none"> • All passenger cars and other vehicles 4,000 pounds or less: \$36 • More than 4,000 pounds but less than 8,001 pounds: \$72 • More than 8,000 pounds but less than 12,001 pounds: \$120 • 12,001 pounds or more: \$168
Indiana	<p>Annual fee for liquid petroleum passenger vehicles (LPG):</p> <ul style="list-style-type: none"> • A passenger motor vehicle, truck, or bus (the declared gross weight of which is equal to or less than 9,000 pounds): \$100 • A recreational vehicle: \$100 • A truck or bus (the declared gross weight of which is greater than 9,000 pounds but equal to or less than 11,000 pounds): \$175 • An alternative fuel delivery truck powered by alternative fuel (which is a truck the declared gross weight of which is greater than 11,000 pounds): \$250 • A truck or bus (the declared gross weight of which is greater than 11,000 pounds, except an alternative fuel delivery truck): \$300 • A tractor, designed to be used with a semitrailer: \$500
Kansas	Liquefied petroleum vehicle owners can choose a Mileage Basis Decal (paid monthly, based on mileage traveled) or Pre-Paid Permit (based on miles operated and vehicle weight class).
Louisiana	Annual decal fee of \$120 per vehicle with a gross vehicle weight rating (GVWR) of less than 10,000 pounds, or a variable rate of 80 percent of the current special fuels tax rate. Over 10,000 pounds must pay 80 percent of the special fuels tax rate in effect (cannot be less than \$120 per vehicle).
Mississippi	<p>Annual tax for motor vehicles using natural gas.</p> <ul style="list-style-type: none"> • Gross vehicle weight rating (GVWR) of 10,000-20,000 pounds: \$225 • GVWR greater than 20,000 pounds: \$300 • Farm vehicles greater than 10,000 pounds: \$150

Missouri	Special Fuel (liquid petroleum gas, electricity, or natural gas) Decal, annual fee determined by vehicle class and weight.
----------	--

New Mexico	<p>Annual tax on alternative fuel vehicle users at the time of registration or renewal, based on gross vehicle weight (in pounds).</p> <ul style="list-style-type: none"> Up to 6,000: \$60 6,001 to 16,000: \$100 16,0001 to 26,000: \$300 26,001 to 40,000: \$60 40,001 to 54,000: \$1,100
------------	---

Oklahoma	Special fuel vehicle operators can elect to pay an annual flat fee of \$150 for a decal, excusing them from payment of the excise tax.
----------	--

Oregon	In lieu of the state fuel excise tax, operators of motor vehicles using natural gas or propane may elect to pay an annual fee based off of combined vehicle weight.
--------	---

Oregon Special Fuel License Fee		
Combined Weight (in pounds)	Base Fee	Annual Fee
0-10,000	\$60	\$150
10,001-26,000	\$300	\$750
26,001+	\$400	\$1000

Texas	Annual decal for LPG vehicles, based on registered gross weight and mileage driven the previous year.
-------	---

Texas Liquefied Petroleum Gas Decal Fee				
Vehicle Class (in pounds)	Less than 5,000 miles	5,000-9,999 miles	10,000-14,999 miles	15,000+ miles
Class A (less than 4,000)	\$30	\$60	\$90	\$120
Class B (4,001-10,000)	\$42	\$84	\$126	\$168
Class C (10,001-15,000)	\$48	\$96	\$144	\$192
Class D (15,001-27,500)	\$84	\$168	\$252	\$336
Class E (27,5001-43,500)	\$126	\$252	\$378	\$504
Class F (43,5001+)	\$186	\$372	\$558	\$744

Washington	<p>An annual fee is administered to owners of natural gas (LPG) vehicles based on gross vehicle weight rating (GVWR), in lieu of an excise tax.</p> <ul style="list-style-type: none"> Up to 14,000 pounds GVWR: <ul style="list-style-type: none"> 50 percent of incremental cost Maximum credit amount per vehicle: \$5,000 Maximum annual credit per vehicle class: \$2,000,000 14,001 pounds to 26,500 pounds <ul style="list-style-type: none"> 50 percent of incremental cost Maximum credit amount per vehicle: \$10,000 Maximum annual credit amount per vehicle class: \$2,000,000 Above 26,500 pounds <ul style="list-style-type: none"> 50 percent of incremental cost Maximum credit amount per vehicle: \$20,000 Maximum annual credit per vehicle class: \$2,000,000
------------	---

Alternative Fuel Dealer Fees

In addition to user fees or excise taxes, six states also require alternative fuel dealers to pay an additional fee or have a license in order to distribute alternative fuel to motor vehicles.

Alternative Fuel Dealer Fees	
State	Alternative Fuel Dealer Fee Description
Delaware	Special fuel dealer annual license of \$10, to “receive tax-free Special Fuel, use the fuel in a taxable or non-taxable (off-highway) manner, sell Special Fuel in a taxable manner, sell Special Fuel in a non-taxable manner (except for low sulfur clear diesel fuel), and pay excise tax based only on the taxable sales and/or usage.”
Florida	\$5 registration fee for sellers of natural gas, liquefied petroleum gas, or a combination. Must be renewed annually.
Indiana	Any business that sells alternative fuels (defined solely as LPG) must be licensed with the state as a propane dealer. Application fee is \$50.
Michigan	Annual \$500 license (beginning Jan. 1, 2018)
Minnesota	Special fuel dealer license of \$25.
Montana	CNG and LPG dealers must hold a valid dealer license. Fine for not having a license can be up to \$2,000.
Wisconsin	All alternative fuel dealers must hold a Business Tax Registration Certificate in order to obtain a license. The BTR certificate includes a one-time charge of \$20, and a biannual \$10 renewal fee.

State Alternative Fuel and Electric Vehicle Taxation

Alabama

(Currently suspended, beginning April 9, 2014 until Oct. 1, 2016.)

Fee: Annual flat-fee sticker for liquid petroleum gases or natural gas vehicles, based on the vehicle's gross vehicle weight rating.

- Class 1. Passenger automobiles, vans, and trucks and pickups under one ton: \$75
- Class 2. Recreational vehicles and vans and trucks one ton or more but with a rear axle carrying capacity of less than 14,000 pounds: \$85
- Class 3. Bobtail trucks and equivalent vehicles to be defined as any other vehicle having the capacity of carrying a loaded rear axle weight of 14,000 pounds or more: \$150
- Class 4. Tractor/trailer units: \$175

Note: Alabama's decal system for natural gas and propane vehicles is suspended until Oct. 1, 2016. If no further action is taken by the state legislature, compressed natural gas (CNG) will be taxed at the state motor fuel tax rate, with 1 gallon of gasoline equaling 5.66 pounds of CNG; and liquefied natural gas (LNG) will be taxed at the rate of 6.06 pounds as 1 gallon of diesel fuel.

Use: Deposited by Liquefied Petroleum Gas Board into the State Treasury, credited to the Public Road and Bridge Fund.

Source: Code of Alabama 40-17-160, Alabama Liquefied Petroleum Gas Board

Alaska

Excise Tax:

- Ethanol fuel blend tax rate: 6 cents-per-gallon less than the tax rate on other motor fuels in certain geographic regions during certain months in order to attain air quality standards for carbon monoxide.
- Gasohol: 8 cents-per-gallon (state motor fuel tax rate).
- As of Sept. 1, 2015, the liquefied petroleum gas (LPG) fee rate is .004 cents-per-gallon on LPG sold or exchanged within the state.

Use: No dedicated funds within the state.

Source: Alaska Statutes 43.40.010

Arizona

Fee:

- Special license plate, which includes an \$8 special plate administrative fee. The annual Arizona vehicle license tax for alternative fuel vehicles is \$4 for each \$100 of the vehicle's value (new vehicles are charged \$2.80 for each \$100 of the vehicle's value, and used vehicles are charged \$2.89).
- In commercial vehicles, a license fee for a propane (LPG) or compressed natural gas (CNG) fueling device is required.

Use: All special license plate fees are deposited into the state highway fund.

Source: Arizona Revised Statutes 28-2416, 41-2092, Arizona Department of Motor Vehicles and Department of Transportation.

Arkansas

Fee: Annual flat fee special fuel user's permit, based on vehicle's gross weight rating:

- Nonfarm Vehicles: Annual Additional Fee
 - Passenger cars and motor homes: \$ 164
 - Pickup trucks, one-half (1/2) and three-quarter (3/4) ton: \$195
 - Pickup trucks, one (1) ton: \$251
 - Trucks, maximum gross loaded weight in excess of one (1) ton but not exceeding 22,500 pounds: \$520
 - Passenger buses, except school buses manufactured and licensed as such: \$520
 - School buses manufactured and licensed as such: \$260
 - Trucks, maximum gross loaded weight in excess of 22,500 pounds: \$609
- Farm Vehicles: In order to aid in the production of farm products and to eliminate apparent inequities in liquefied gas special fuel fees which are in lieu of the gallonage tax on such fuel used in vehicles operated primarily on farms and not on the main highway system of Alaska, a special classification is created for farm vehicles using liquefied gas special fuel and entitled to be registered and licensed as natural resources farm vehicles. The flat fee in lieu of the gallonage tax on the fuel used in such vehicle shall be as follows:
 - Pickup trucks, one-half (1/2) and three-quarter (3/4) ton: \$ 130

- Pickup trucks, one (1) ton: \$156
- Trucks, maximum gross loaded weight in excess of one (1) ton but not exceeding 22,500 pounds: \$178.00
- Trucks, maximum gross loaded weight in excess of 22,500 pounds: \$260

Additionally, if the director determines that the flat fee is less than the gallon-based tax, the state may require common or contract carriers or owners of vehicles for hire to pay a mileage-based fee.

Excise tax: Alternative fuels taxed on a gasoline gallon equivalent (GGE) basis. Rates are determined by the number of vehicles licensed to use that specific fuel within the state.

Special Motor Fuel Tax Rates:

- Biodiesel Mixture: 22.5 cents-per-gallon
- Gasohol: 21.5 cents-per-gallon
- Liquid Petroleum Gas (LPG): 16.5 cents-per-gallon
- Natural Gas (CNG): 5 cents-per-gallon
- Ethanol/Methanol: 21.5 cents-per-gallon

Source: A.C.A. § 19-6-301, 26-56-201, 26-56-304

Uses: Classified as special revenue and deposited into the State Treasury.

“After deducting therefrom the amount to be credited to the Constitutional Officers Fund and the State Central Services Fund as provided in the Revenue Stabilization Law (found here: § 19-5-101 et seq.) the Treasurer of State shall transfer on the last business day of each month:

- (A) Fifteen percent (15%) of the amount thereof to the County Aid Fund;
- (B) Fifteen percent (15%) of the amount thereof to the Municipal Aid Fund; and
- (C) Seventy percent (70%) of the amount thereof to a special account in the State Highway and Transportation Department Fund to be designated the “1991 Highway Construction and Maintenance Account”

California

Fee: Annual sticker fee:

- All passenger cars and other vehicles 4,000 pounds or less: \$36
- More than 4,000 pounds but less than 8,001 pounds: \$72
- More than 8,000 pounds but less than 12,001 pounds: \$120
- 12,001 pounds or more: \$168

Excise tax: In place of annual fee, owners and operators can pay an excise tax based on gasoline gallon equivalent (GGE) or diesel gallon equivalent (DGE):

- Compressed natural gas (CNG): 8.87 cents-per-GGE
- Liquid natural gas (LNG): 10.17 cents-per-DGE
- Propane (LPG): 6 cents-per-gallon
- Ethanol and methanol fuel blends containing up to 15 percent gasoline or diesel fuel: half the current tax on gasoline and diesel

Uses: Transportation fund.

Source: California Revenue & Taxation Code 8651.6-7

Colorado

Electric Vehicle Tax:

- Plug-in electric vehicle owners are required to obtain an annual decal costing \$50. Decals permit drivers to use public electric vehicle supply equipment within the state.
- Use: Sixty percent of the fee replaces the revenue not collected from gasoline taxes and goes toward road and highway maintenance, while the other 40 percent funds electric vehicle infrastructure such as charging stations.
- Source: House Bill 1110 (2013)

Excise tax: Calculated per-gallon equivalent:

Colorado Alternative Fuel Excise Taxes 2015-2019					
	2015	2016	2017	2018	2019 & Beyond
CNG	\$0.06	\$0.09	\$0.12	\$0.15	\$0.183
LNG	\$0.05	\$0.07	\$0.08	\$0.10	\$0.12
LPG*	\$0.05	\$0.07	\$0.09	\$0.11	\$0.135

Fee: Liquefied petroleum gas and natural gas vehicles are required to pay an annual inspection fee of \$10 per tank truckload (defined as 8,00 gallons or gallon-equivalent).

Uses: Highway Users Tax Fund and Electric Vehicle Grant Fund.

Source: Colorado Revised Statutes 42-3-304

Connecticut

Excise Tax:

- Compressed Natural Gas (CNG) and liquid natural gas (LNG) are taxed at a rate of 26 cents-per-GGE.
- Liquid Petroleum Gas (LPG): tax is computed at 5 percent of the gross earnings from first sale of petroleum product in the state.

Source: Connecticut State Statute 13b-61, Connecticut Department of Revenue Services 2014 Special Notice: Changes to the Conversion Factors on Motor Vehicle Fuels Occurring in Gaseous Form

Uses: Deposited to State Treasurer, who deposits funds into the state Special Transportation Fund.

Delaware

Excise Tax:

- CNG and LNG are taxed at a rate of 22 cents-per-gallon.
- Special fuel dealer annual license of \$10, to “receive tax-free Special Fuel, use the fuel in a taxable or non-taxable (off-highway) manner, sell Special Fuel in a taxable manner, sell Special Fuel in a non-taxable manner (except for low sulfur clear diesel fuel), and pay excise tax based only on the taxable sales and/or usage.”
- Hazardous Substance Cleanup Act Tax of 0.9 percent on all taxable gross receipts from the sale of petroleum or petroleum products.

Uses: Transportation Trust Fund.

Source: Del. C. 1953, § 5132

Florida

Fee:

- Natural gas and propane retailers are required to have a license to distribute special fuels. License application fee: \$5.
- Penalty for not having a valid natural gas fuel retailer license: \$200/month if offense occurs before Jan. 1, 2019; after Jan. 1, 2019, the penalty is 25 percent of the tax assessed on the total purchases made during the unlicensed period.

Excise tax: Currently, alternative fuels are exempt from taxation (effective Jan. 1, 2014 through Jan. 1, 2019).

Beginning Jan. 1, 2019, natural gas fuel retailers will be required to pay a tax on all natural gas fuel purchases:

- Flat Rate: 4 cents-per-GGE, plus 1 cent for the “ninth-cent fuel tax”, and 1 cent “local option fuel tax” for counties.
- Additional Variable-Rate Tax: A “State Comprehensive Enhanced Transportation System Tax” will also be imposed. The initial rate of 5.8 cents-per-GGE will be evaluated on an annual basis and adjusted to the percent change in the average of the Consumer Price Index.
- Lastly, a tax of 9.2 cents-per-GGE will be imposed on sellers of natural gas fuel. That rate will be adjusted annually to the percent change in the average of the Consumer Price Index.

Source: Florida Statutes 206.9952 - 9955 - 997

Use:

- Special license application fee goes to General Revenue Fund.
- Taxes beginning Jan. 1, 2019:
 - The 4 cents-per-GGE, the variable “State Comprehensive Enhanced Transportation System Tax,” and the tax on sellers will be deposited into the “State Alternative Fuel User Fee Clearing Trust Fund.” The latter two (“State Comprehensive Enhanced Transportation System Tax” and the tax on sellers) will be transferred to the State Transportation Trust Fund. The first (4 cents-per-GGE) will be split: 50 percent to the State Board Administration, 25 percent to the Revenue Sharing Trust Fund for Municipalities, and the remaining 25 percent distributed as the county tax on motor fuel.
 - The “ninth-cent fuel tax” and “local option fuel tax” on special fuels will be deposited into the Local Alternative Fuel User Fee Clearing Trust Fund, and then returned to the appropriate county.

Georgia

Electric Vehicle Fee: Plug-in Electric Vehicle owners pay an annual fee of \$200 for non-commercial vehicles and \$300 for commercial vehicles.

Excise tax:

- Special fuels are taxed at the state motor fuel rate of 26 cents-per-gallon (or MFGE for compressed or liquid natural gas). Special fuels sold in bulk to a licensed consumer distributor are exempt.

Fee: Permits are required for individuals or businesses to sell CNG. Cost: one-time fee of \$150

Uses: Transportation fund.

Source: Georgia House Bill 170 (2015)

Hawaii

Excise tax:

- When sold to a vehicle with an internal combustion engine (type of engine most often found in motor vehicles), a seller must pay a license tax of one-quarter of one cent (\$0.0025) per gallon. Distributors must also pay a tax for each gallon of special fuels sold to vehicles which are able to operate on state public highways.
- Counties permitted additional special fuels tax.

Hawaii Alternative Fuel Tax

Fuel Type	Tax
Ethanol	0.145 times the rate for diesel
Methanol	0.11 times the rate for diesel
Biodiesel	0.25 times the rate for diesel
Propane	0.33 times the rate for diesel
Other	"...based on the energy content of the fuels as compared to diesel fuel, using a lower heating value of 130,000 British thermal units per gallon as a standard for diesel, so that the tax rate, on an energy content basis, is equal to one-quarter the rate for diesel fuel."

Uses: Deposited into state treasury.

Source: Hawaii Revised Statute 243 4-5

Idaho

Electric Vehicle Fee:

- Plug-in vehicle owners: Annual fee of \$140
- Hybrid vehicle owners: Annual fee of \$75

Excise Tax: All alternative fuels are converted into GGE or DGE (if necessary) and charged the state motor fuel tax rate.

- Liquefied natural gas: converted to diesel gallon equivalent (DGE), with 1 gallon of diesel equating to 6.06 pounds of LNG.
- Compressed natural gas (CNG): converted to GGE, with 1 gallon of gasoline equating to 5.66 pounds of CNG.

Use:

- Electric and hybrid fees: transportation fund.
- Special fuels tax:
 - Refund claims set aside.
 - 7 percent to the state highway account.
 - Remaining balance to the highway distribution account.

Source: Idaho Statute 49-457, Idaho Statute 63-2402, and Idaho Statute 63-2418

Illinois

Other (state sales and use tax): State general sales and use tax of 6.25 percent, charged on all motor fuel purchases, applies to only 80 percent of the proceeds from the sale of gasoline, biodiesel blends containing no more than 10 percent biodiesel until Dec. 31, 2018 (exception during state designated tax holidays, when the sales and use tax drops to 1.25 percent, the tax on special fuels is charged at 100 percent). Starting Dec. 31, 2018, all special fuels—including majority ethanol and majority biodiesel blends—will be charged the state sales and use tax at 100 percent.

Excise Tax:

- Alternative fuels are taxed at the state motor fuel rate (GGE or DGE).
- Liquid petroleum gasoline (LPG): an additional 5.9 cents-per-gallon.

Use: Motor Fuel Tax Fund.

Source: Illinois Compiled Statutes 35 105 and 505

Indiana

Excise tax:

- Liquefied natural gas (LNG): 18 cents-per-DGE.
- Compressed natural gas (CNG), butane, and propane: 18 cents-per-GGE.
- The tax does not apply to nominal biodiesel blends of at least 20 percent (B20); special fuel used only for a personal, noncommercial use and not for resale; or biodiesel used by a biodiesel producer holding an exemption certificate.
- Commercial vehicles pay a surcharge tax.
 - \$0.11 per DGE for LNG and \$0.11 per GGE for CNG, butane, or LPG.

Fee: Alternative fuel vehicles (defined as vehicles using liquid petroleum gas only) require an annual decal.

- A passenger motor vehicle, truck, or bus (the declared gross weight of which is equal to or less than 9,000 pounds): \$100
- A recreational vehicle: \$100
- A truck or bus (the declared gross weight of which is greater than 9,000 pounds but equal to or less than 11,000 pounds): \$175
- An alternative fuel delivery truck powered by alternative fuel (which is a truck the declared gross weight of which is greater than 11,000 pounds): \$250
- A truck or bus (the declared gross weight of which is greater than 11,000 pounds, except an alternative fuel delivery truck): \$300
- A tractor, designed to be used with a semitrailer: \$500

Dealer Fee: Any business that sells alternative fuels (defined solely as LPG) must be licensed with the state as a propane dealer. Application fee is \$50.

Temporary Permit: Drivers are required to obtain a 72-Hour Alternative Fuel Trip Permit, valid for 72 hours from the time of purchase and costing \$5.50.

Use: Highway purposes, “and for payment of any part of the cost of traffic policing and traffic safety incurred by the state or any of its political subdivisions, as authorized by law.”

- 53 percent to Indiana DOT
- 47 percent to eligible cities, towns and counties

Source: Indiana Code 6-6-14, Indiana Code 6-6-2.5, Indiana Department of Revenue & Update

Iowa

Excise tax:

- Compressed natural gas (CNG): 31 cents-per-GGE
- Liquefied natural gas (LNG): 32.5 cents-per-DGE
- Liquefied petroleum gas (LPG): 30 cents-per-gallon
- E85: 29.3 cents-per-gallon
- Biodiesel: excise tax based on number of gallons of biodiesel blended fuel classified as B-11 or higher that is distributed in the state as expressed as a percentage of the number of gallons of special fuel for diesel engines of motor vehicles distributed in the state.

Source: Senate File 257 (2015), Iowa Code 452.A

Use: Transportation fund.

Kansas

Excise tax:

- Special fuels: 26 cents-per-gallon
- Compressed natural gas (CNG): 24 cents-per-GGE
- Liquefied natural gas (LNG): 26 cents-per-GGE
- Propane (LPG): 23 cents-per-gallon
- E85: 17 cents-per-gallon

Fee: Liquid petroleum vehicle owners can choose a special permit decal in order to pay special fuel taxes on an estimated-mileage basis, rather than paying per gallon at the pump.

Use: Transportation fund.

Source: Kansas Statute 79-34,141

Kentucky

Excise tax:

- An excise tax rate of 9 percent of the average wholesale price on a per gallon basis applies to all special fuels, including diesel, natural gas, liquefied petroleum gas (LPG), ethanol, biodiesel, hydrogen, and any other combustible gases and liquids, excluding gasoline, used to propel motor vehicles.
- Supplemental highway user motor fuel tax: 2 cents-per-gallon.

Use:

- 2.1 cents-per-gallon deposited into the state road fund;
- 22.2 percent set aside for the construction, reconstruction and maintenance of secondary and rural roads;
- 18.3 percent set aside for county roads and bridges;
- 7.7 percent for urban roads.

Source: 138.220, 177.320 and 177.365

Louisiana

Excise tax: Special fuels tax of 16 cents-per-gallon.

Fee:

- Annual flat rate decal fee of \$120 per vehicle with a gross vehicle weight rating (GVWR) of less than 10,000 pounds, or a variable rate of 80 percent of the current special fuels tax rate. Over 10,000 pounds must pay 80 percent of the special fuels tax rate in effect (cannot be less than \$120 per vehicle).
- School bus: annual flat rate of 50 percent of the regular flat rate or 50 percent of the variable rate for on-road vehicles weighing less than 10,000 pounds, whichever is less.

Note: 2015 legislation (SB 271) will end annual decal program and switch entirely to a cents-per-MFGE system.

Use: Credited to the Bond Security and Redemption Fund, for use on the Highway Priority Program, the Parish Transportation Fund, the Statewide Flood-Control Program, and the Parish Bridge Replacement Program.

Source: Senate Bill 271, 2015, and Louisiana Revised Statutes 47:802.3

Maine

Excise tax: Special fuel tax rates are based on the British Thermal Unit (BTU) energy content for each fuel.

Maine Special Fuels Tax Calculation: Fuel Types Based on Gasoline

Fuel type based on gasoline	BTU content per gallon or gasoline gallon equivalent	Tax rate formula (BTU value fuel/BTU value gasoline) x base rate gasoline
Gasoline	115,000	100 percent x base rate
Propane	84,000	73 percent x base rate
Compressed natural gas (CNG)	115,000	100 percent x base rate
Methanol	56,800	49 percent x base rate
Ethanol	76,000	66 percent x base rate
Hydrogen	115,000	100 percent x base rate
Hydrogen Compressed Natural Gas	115,000	100 percent x base rate

Maine Special Fuels Tax Calculation: Fuel Types Based on Diesel

Fuel type based on diesel	BTU content per gallon or gallon equivalent	Tax rate formula (BTU value fuel/BTU value diesel) x base rate diesel
Diesel	128,400	100 percent x base rate
Liquefied Natural Gas (LNG)	73,500	57 percent x base rate
Biodiesel	118,300	92 percent x base rate

Maine Special Fuels Tax

Fuel	Tax Rate
E85	30 cents-per-gallon
Biodiesel blends of up to 90%	31.2 cents-per-gallon
Biodiesel blends of 90-100%	28.7 cents-per-gallon
Propane (LPG)	21.9 cents-per-gallon
Compressed natural gas (CNG)	24.3 cents-per-gallon
Liquefied natural gas (LNG)	17.8 cents-per-gallon
Hydrogen	7 cents-per- 100 cubic feet
Hydrogen CNG	20.8 cents-per- 100 cubic feet

Blended fuel with at least 10 percent gasoline or diesel are taxed the gasoline or diesel tax.

Use: Mostly Highway Fund, with 7.5 percent deposited into the TransCap Trust Fund.

Source: Maine Revised Statutes Title 36 Part 5 Chapter 459: §3203, Maine State Revenue Services

Maryland

Excise tax:

- 24.25 cents-per-gallon for special fuel other than clean-burning fuel or turbine fuel;
- 23.5 cents-per-GGE.

Use: Transportation fund.

Source: Maryland §9–305 (a)

Massachusetts

Excise tax: Special fuels are all fuels, except gasoline, and includes diesel and liquefied gases (propane, compressed natural gas, liquid natural gas).

- Diesel: fixed, 24 cents-per-gallon.
- Liquefied gases: Determined each quarter, a rate of 19.1 percent of the average price, rounded to the nearest 0.1 percent per gallon—generally fluctuating between 16 to 24 cents-per-GGE.

Use: Commonwealth Transportation Fund.

Source: Massachusetts Department of Revenue, Massachusetts State Statute Part I Title IX Chapter 64E Section 4 and Section 13.

Michigan

Excise tax:

- 12 cents-per-gallon for diesel fuel containing a minimum of 5 percent biodiesel or at least 70 percent ethanol.

Note: 2015 legislation will make future changes to the taxation of alternative fuels, hybrids, and electric vehicles.

New annual registration fees (beginning Jan. 1, 2017):

- Hybrid vehicles:
 - \$30 for vehicles weighing 8,000 pounds or less.
 - \$100 for vehicles weighing over 8,000 pounds.
- Electric-only vehicles (nonhybrids):
 - \$100 for vehicles weighing 8,000 pounds or less.
 - \$200 for vehicles weighing over 8,000 pounds.

New alternative fuel dealer license (beginning Jan. 1, 2018): \$500

Increased taxes on alternative fuels (beginning Jan. 1, 2017 for commercial drivers and Jan. 1, 2018 for noncommercial drivers): Convert alternative fuels to their MFGE, based off of the energy equivalent to motor fuels.

Use: Deposited into State Treasury to the credit of the state transportation fund.

Source: Michigan Compiled Laws 207.1143, Michigan Compiled Laws 207.1008

Minnesota

Excise tax:

- E85: 20.25 cents-per-gallon
- Biodiesel: 28.5 cents-per-gallon
- Propane: 21.35 cents-per-gallon
- LNG: 17.1 cents-per-gallon
- Alcohol and kerosene: 28.5 cents-per-gallon
- CNG: \$2.474 per thousand cubic feet

Fee: Special fuel dealer license required.

- Fee for license: \$25

Use: Highway User Tax Distribution Fund.

Source: Minnesota Revenue Fuel Excise Tax Rates & Fees & Minnesota Statute 296A.08

Mississippi

Excise tax:

- Distributors of compressed and liquid natural gas (LNG) must pay 18 cents-per-100 cubic feet for the 'privilege of engaging in the business of selling or delivering CNG and LNG for use in a motor vehicle'.
- 5.75 cents-per-gallon on all special fuels.

Fee: Annual decal required for motor vehicles using natural gas.

- Gross vehicle weight rating (GVWR) of 10,000-20,000 pounds: \$225
- GVWR greater than 20,000 pounds: \$300
- Farm vehicles greater than 10,000 pounds: \$150

Use: Roads fund.

Source: Miss. Code Ann. § 27-59-11 (2015), 27-5-101, 27-55-519

Missouri

Excise tax:

- Compressed and liquefied natural gas:
 - 5 cents-per-GGE from Jan. 1, 2016, until Dec. 31, 2019;
 - 11 cents-per-GGE from Jan. 1, 2020, until Dec. 31, 2024; and
 - 17 cents-per-GGE from Jan. 1, 2025.

Special Fuel (liquid petroleum gas, electricity, or natural gas) Fee: Instead of paying an excise tax on special fuel, an annual decal must be purchased. All passenger vehicles, commercial motor vehicles, and buses must show a special fuel decal. Hybrid and historic motor vehicles are exempt.

- Fine for not having decal: \$500

Missouri Special Fuel Annual Decal Fees

Type	Decal	Processing Fee
Passenger Motor Vehicles	\$75	\$3.50
Commercial Motor Vehicles		
18,000 pounds or less	\$75	\$3.50
18,001 pounds through 36,000 pounds (Farm plates—F tab on plate)	\$100	\$3.50
18,001 pounds through 36,000 pounds	\$150	\$3.50
Greater than 36,000 pounds (Farm plates—F tab on plate)	\$250	\$3.50
Greater than 36,000 pounds	\$1000	\$3.50
Buses		
School buses	\$75	\$3.50
Local, commercial, and transit buses	\$150	\$3.50
Replacement Decals	\$8.50	\$3.50
Temporary Fuel Decal (15 day)	\$8	Obtained by alternative fuel dealers

Use: Department of Transportation.

Source: Missouri Department of Revenue: Special Fuel Decals, Missouri Revised Statutes 42-803

Montana

Excise tax: Collected by dealer when product is placed into the supply tank of a motor vehicle.

- Compressed natural gas (CNG): Total tax due = 7 cents per 120 cubic feet of CNG at 14.73 pounds per square inch absolute base pressure, multiplied by the total volume of CNG placed into the supply tank of a motor vehicle.
- Liquid petroleum gas (LPG): Total tax due = 5.18 cents per 1 gallon of LPG, multiplied by total gallons of LPG placed into the supply tank of a motor vehicle.
- Other undyed special fuel or volatile liquid (paid by distributor): 27.75 cents-per-gallon.

Use: Transportation.

Source: Montana Code Annotated 15-70-7, 15-70-321

Nebraska

Electric Vehicle Fee:

- A \$75 alternative fuel fee is imposed on any vehicles that do not use motor fuels. The fee is charged when the vehicle is registered, and every time the registration is renewed.

Use: Nebraska Highway Trust Fund.

Source: §60-3,191

Excise Tax: All special fuels (including gasohol, biodiesel, CNG and LNG) are taxed at the state motor fuels tax rate of 7.5 cents-per-gallon or GGE, plus the motor fuel's retailer tax of 2.8 cents-per-gallon or GGE.

Use: Nebraska Highway Trust Fund.

Source: Nebraska Department of Revenue Frequently Asked Questions

Nevada

Excise Tax:

- Biodiesel and biomass-based diesel, including blends, and liquefied natural gas (LNG): 27 cents-per-gallon.
- Liquefied petroleum gas (LPG): 6.4 cents-per-gallon.
- Compressed natural gas (CNG): 21 cents-per-GGE.

Use: State Highway Fund.

Source: Assembly Bill 32 (2015), Nebraska Revised Statutes 366.190

New Hampshire

Excise Tax:

- Compressed natural gas (CNG), liquefied natural gas (LNG), and propane (LPG): 22.2 cents-per-GGE.

Use: State highway fund, and paying off interest and principal of highway bonds.

Source: New Hampshire Road Toll Bureau, New Hampshire Statute 260:35.

New Jersey

Excise Tax:

- Liquefied Petroleum Gas (LPG): 5.25 cents-per-gallon (half of the state's motor fuel tax).
- Gasoline and gasoline blends (gasohol, ethanol, methanol): 10.5 cents-per-gallon (the state's motor fuel tax).
- Diesel and diesel blends (including biodiesel): 13.5 cents-per-gallon.
- Additional Petroleum Products Gross Receipts Tax of 4 cents-per-gallon.

Use: Motor fuel use tax distribution fund.

Source: New Jersey Statute 54:39-103

New Mexico

Excise Tax:

- Liquefied petroleum gas (LPG): 12 cents-per-gallon.
- Compressed natural gas (CNG): 13.3 cents-per-gallon.
- Liquefied natural gas (LNG): 20.6 cents-per-gallon.
- Special fuel excise tax (any diesel-engine fuel, including biodiesel): 21 cents-per-gallon.
- Alternative fuel distributor tax: 12 cents-per-gallon

Fees:

- Alternative fuel distributor fee: \$25
- Temporary special fuel user permit required if driving through the state (must exit the within 48 hours of entry): \$5
- Annual tax on alternative fuel vehicle users at the time of registration or renewal, based on gross vehicle weight.
 - Up to 6,000 pounds: \$60
 - 6,001 pounds to 16,000 pounds: \$100
 - 16,001 pounds to 26,000 pounds: \$300
 - 26,001 pounds to 40,000 pounds: \$60
 - 40,001 pounds to 54,000 pounds: \$1,100

Use: Primarily transportation infrastructure.

Source: New Mexico Statute 7-16B-4, 7-16B-8, 17-16B-7, 7-16A-19, New Mexico Department of Revenue

New York

Other: Alternative fuels (E85, CNG, hydrogen, LNG, B20) are exempt from the state motor fuel excise tax, petroleum business tax, and state and local sales and use tax through Aug. 31, 2016.

Source: New York State Department of Taxation and Finance Technical Memorandum

North Carolina

Electric Vehicle Fee:

- \$100 annual fee at time of registration and registration renewal.

Use: Transportation fund.

Excise tax: Alternative fuels converted to GGE or DGE, and charged the state motor fuels tax.

Use: 71 percent to the Highway Fund and 29 percent to the Highway Trust Fund (after small allocations).

Source: North Carolina General Statutes 105-449, 20-87, North Carolina Department of Motor Vehicles, North Carolina General Statutes 20-87

North Dakota

Excise tax:

- Liquefied petroleum gas (LPG): 2 percent.
- Diesel and special fuels: 4 cents-per-gallon.

Use: Transferred to state treasurer, who deposits into the highway tax distribution fund.

Source: North Dakota General Statute 57-43.2-03

Ohio

Excise tax:

- Liquid natural gas (LNG) converted to DGE, and charged at the state's motor fuel tax rate.
 - DGE: 6.06 pounds of LNG equals 1 gallon of motor fuel, unless the national conference on weights and measures adopts a different standard.

Other: Motor fuel supplier tax on supplies, measured by the supplier's calculated gross receipts:

- Liquefied petroleum gas (LPG): Multiply the total number of gallons first sold within Ohio during the tax period by the average wholesale price of a gallon of propane for the calendar quarter that began six months prior to the upcoming calendar quarter.
- Motor fuel not gasoline or propane: Multiply the total number of gallons of motor fuel first sold within Ohio by a supplier during the tax period by the average wholesale price of a gallon of diesel fuel for the calendar quarter that began six months prior to the upcoming calendar quarter.

Source: Ohio State Statute 5735.012, 5736.01

Oklahoma

Excise tax:

- Compressed natural gas (CNG): 5 cents-per-GGE (increasing Jan. 1, 2020 to diesel fuel rate).
- Liquid natural gas (LNG): 5 cents-per-DGE (increasing Jan. 1, 2020 to diesel fuel rate).

Source: Oklahoma Statute 68 O.S. §500.4 and 2357.22

Excise tax on all other special fuels: Pursuant to Sections 703, 705, 707.1, 707.2 and 707.3 of Title 68 a combined tax rate of 16 cents-per-gallon is levied on special fuels.

Fee: Instead of paying the excise tax, special fuel vehicle operators, in accordance with 68 O.S. § 723(C), can choose to pay an annual flat fee of \$150 for a decal, excusing them from payment of the excise tax. An out-of-date decal is penalized with an increase of 20 percent of the fee. The fee and any applicable penalty amounts collected for this decal are apportioned to the State Transportation Fund.

Source: Oklahoma 68 O.S. § 723

Use: In FY 2016, amounts collected pursuant thereto will be apportioned to the funds and at the percentages outlined below:

- General Revenue Fund: 1.125 percent;
- State Transportation Fund: 64.781 percent;
- Counties for Highways: 30.969 percent;
- Counties for Bridge and Road Improvement Fund: 2.734 percent; and
- Statewide Circuit Engineering District Revolving Fund: 0.391 percent.

Oregon

Other-Vehicle Miles Traveled Pilot Program (VMT):

- Pilot program, started July 1, 2015, permits volunteers to abstain from the state’s motor fuel excise tax and be charged 1.5 cents-per vehicle miles traveled for a trial period (end date will be determined by the Oregon legislature).
 - Electric vehicles, most diesel vehicles manufactured before 2006, vehicles manufactured before 1996, and vehicles weighing over 10,000 pounds are not eligible to participate in the program.

Source: About OReGO

Excise tax:

- Compressed natural gas (CNG): 30 cents-per-120 cubic feet (measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit)
- Propane (LPG): 30 cents-per 1.3 gallons
- Liquid fuels taxed at state motor fuel tax rate of 30 cents-per-gallon.

Use: Department of Transportation

Source: Oregon Revised Statutes 2013 319-530

Fees:

- Optional Annual fee:
 - In lieu of the state fuel excise tax, operators of motor vehicles using natural gas or propane may elect to pay an annual fee based off of combined vehicle weight.
 - Vehicle owners that elect to pay the annual fee instead of excise tax must renew their vehicle registration annually, versus biennially. Vehicle registration fees are increased based on weight.

Oregon Special Fuel License Fee

Combined Weight (in pounds)	Base Fee	Annual Fee
0-10,000	\$60	\$150
10,001-26,000	\$300	\$750
26,000 +	\$400	\$1,000

Use: State Highway Fund.

Source: House Bill 4131 (2014), 803.420, Oregon Department of Transportation

Pennsylvania

Excise tax: Alternative fuels—including natural gas, compressed natural gas (CNG), liquid propane gas (LPG), liquefied natural gas (LNG), alcohols, gasoline-alcohol mixtures containing at least 85 percent alcohol by volume, hydrogen, methane, electricity and any other fuel not taxable as liquid fuels or fuels—are converted to a GGE and taxed at the current state motor fuel tax.

Use: Transportation fund.

Source: Department of Revenue

Rhode Island

Excise tax: Alternative fuels are charged the state motor fuels tax per gallon (converted to the GGE or DGE when necessary).

Fee:

- Specialty plate: Electric/hybrid vehicles may elect to purchase a specialty plate for a \$31.50 fee.

Use: State transportation fund.

Source: Rhode Island Statute 31-36

South Carolina

Excise tax: State motor fuel tax of 16 cents-per-gallon applies to all alternative fuel. Biodiesel, ethanol blends, liquid natural gas (LNG) and compressed natural gas (CNG) also pay the state motor fuel inspection fee and environmental fee; liquid propane is exempt from these fees.

Use: Deposited to credit of the State Treasurer. 10.75 cents-per-gallon must be turned over to the Department of Transportation. Other funds distributed to various accounts.

Source: South Carolina State Statute 12-28-310, South Carolina Department of Revenue

South Dakota

Excise tax:

- Biodiesel and blends: 22 cents-per-gallon (the state motor fuel tax)
- Ethyl alcohol and methyl alcohol motor fuel: 14 cents-per-gallon
- Compressed natural gas (CNG): 10 cents-per-gallon (converted to GGE of 12.67 cubic feet)
- Liquefied natural gas (LNG): 14 cents-per-gallon (converted to the GGE of 1.5536 gallons of LNG to one volumetric gross gallon of gasoline)
- Liquefied petroleum gas (LPG): 20 cents-per-GGE (4.24 pounds per gallon of liquid at 60 degrees Fahrenheit)

Use: Motor fuel tax fund.

Source: South Dakota Statutes 10-47B-3 through 10-47B-10, 148

Tennessee

Excise tax:

- Special tax of 1 cent-per-gallon charged on all petroleum products.
- Compressed natural gas (CNG): 13 cents-per-gallon (5.66 pounds per gallon). CNG is not exempt from the state sales and use tax (7 percent) or the local sales tax (up to 2.34 percent).
- Liquefied natural gas (LNG): 14 cents-per-gallon (DGE factor of 6.06 pounds per gallon).

Use:

- Sales taxes are dedicated to state or local general funds.
- Tax on fuels deposited to the transportation fund.

Source: 67-6-329, 67-3-1101 to 1120

Texas

Excise tax:

- Compressed natural gas (CNG): 15 cents-per-GGE.
- Liquefied natural gas (LNG): 15 cents-per-DGE.
 - One GGE equals 5.66 pounds of CNG/ 5.37 pounds of LNG.
 - One DGE equals 6.38 pounds of CNG/ 6.06 pounds of LNG.

Fee: Annual decal for liquefied petroleum gas (LPG), based on registered gross weight and mileage driven the previous year.

Texas Annual Decal Fee for LPG Vehicles				
Vehicle Class (in lbs.)	Less than 5,000 miles	5,000-9,999 miles	10,000-14,999 miles	15,000+ miles
Class A (less than 4,000)	\$30	\$60	\$90	\$120
Class B (4,001-10,000)	\$42	\$84	\$126	\$168
Class C (10,001-15,000)	\$48	\$96	\$144	\$192
Class D (15,001-27,500)	\$84	\$168	\$252	\$336
Class E (27,5001-43,500)	\$126	\$252	\$378	\$504
Class F (43,5001+)	\$186	\$372	\$558	\$744

Use:

- One quarter of the taxes shall be deposited to the credit of the available school fund; and
- Three quarters of the taxes shall be deposited to the credit of the state highway fund.

Source: Texas Statutes, Tax Code 162.001, and 162.351 through 162.356; Texas State Statute 162.305

Utah

Excise tax:

- Compressed natural gas (CNG) and hydrogen:
 - 10.5 cents-per-GGE until July 2016;
 - 12.5 cents-per-GGE until July 2017;
 - 14.5 cents-per-GGE starting July 2018.
- Liquefied natural gas (LNG):
 - 10.5 cents-per-DGE until July 2016;
 - 12.5 cents-per-DGE until July 2017;
 - 14.5 cents-per-DGE starting July 2018.
 - One GGE is equal to 5.66 pounds of CNG or 2.198 pounds of hydrogen.
 - One DGE is equal to 6.06 pounds of LNG.
- Special fuel user trip permit (valid for 96 hours or until the qualified vehicle leaves the state): \$25

Use: Deposited with the State Treasurer to the credit of the Transportation Fund.

- Appropriations from the Transportation Fund are made to cover administration costs.
- \$5 from each Special Fuel User Trip Permit fee can be used by the commission to cover the costs of electronic credentialing.

Source: House Bill 362 (2015), Utah State Tax Commission, Utah State Statute 59-13-303.

Vermont

Other (Sales and use tax):

- Natural gas is exempted from the state motor fuel tax. Instead, the state sales and use tax of 6 percent is applied.

Source: Vermont Statutes Title 32, Chapter 233, Section 9741, and Title 23, Chapter 28, Section 3101

Virginia

Electric Vehicle Fee:

- \$64 annual license tax
 - 2013 law included hybrid vehicles, which was removed one year later.

Use: Commonwealth Transportation Fund.

Source: Virginia Department of Motor Vehicles, Virginia State Statute 58.1-2200 to 2289, § 58.1-2249

Excise Tax: Charged as 5.1 percent of the statewide average wholesale price of gasoline.

- Blended fuels (gasoline): 16.2 cents-per-gallon
- Blended fuels (diesel): 20.2 cents-per-gallon
- Alternative fuels (converted to GGE): 16.2 cents-per-gallon

Virginia Alternative Fuel Tax Calculation

Fuel Type	Calculation Formula for Obtaining GGE	Quantity of Alternative Fuel Per 1 Gallon of Gasoline
Liquefied Natural Gas (LNG)	LNG gallons x 0.650957=LNG GGE	1.5362 gallons LNG
Propane (LPG)	LPG gallons x 0.7404741=LPG GGE	1.35 gallons LPG
Methanol (M100)	M100 gallons x 0.497512=M100 GGE	2.01 gallons M100
Compressed Natural Gas (CNG)	Cubic feet of CNG x 0.007895=CNG GGE	126.67 cubic feet of CNG
Hydrogen	Cubic feet of hydrogen x 0.002798=Hydrogen GGE	357.37 cubic feet of hydrogen

Use: Commonwealth Transportation Fund.

Source: Virginia Department of Motor Vehicles, Virginia State Statute 58.1-2200 to 2289

Washington

Electric Vehicle Fee:

- Annual vehicle registration renewal fee of \$100.
 - Beginning July 1, 2016, plug-in hybrid vehicles and electric vehicles that can travel 30 miles using only electric will be subject to this fee, and will pay an additional \$50 registration renewal fee.

Use: First \$1 million raised by the fee must be deposited into the multimodal transportation account; remainder goes to motor vehicle fund and Electric Vehicle Infrastructure Bank.

Excise Tax: Starting at 37.5 cents-per-gallon of special fuel, or each 100 cubic feet of compressed natural gas (CNG), measured at standard pressure and temperature.

- Beginning Aug. 1, 2015, an additional and cumulative tax rate of 7 cents-per-gallon of special fuel shall be imposed on special fuel licensees, other than special fuel distributors.
- Beginning July 1, 2016, an additional and cumulative tax rate of 4.9 cents-per-gallon of special fuel shall be imposed on special fuel licensees, other than special fuel distributors.

Fee:

- An annual fee is administered to owners of natural gas (LPG) vehicles based on gross vehicle weight rating (GVWR), in lieu of excise tax.
 - Up to 14,000 pounds GVWR:
 - 50 percent of incremental cost
 - Maximum credit amount per vehicle: \$5,000
 - Maximum annual credit per vehicle class: \$2,000,000
 - 14,001 pounds to 26,500 pounds
 - 50 percent of incremental cost
 - Maximum credit amount per vehicle: \$10,000
 - Maximum annual credit amount per vehicle class: \$2,000,000
 - Above 26,500 pounds
 - 50 percent of incremental cost
 - Maximum credit amount per vehicle: \$20,000
 - Maximum annual credit per vehicle class: \$2,000,000

Use: Motor vehicle fund.

Source: Senate Bill 5987 (2015)

West Virginia

Excise Tax: 20.5 cents-per-GGE, plus an additional 5 percent tax on the average wholesale price of fuel.

Use: Motor Fuel General Tax Administration Fund and road fund.

Source: West Virginia Code 11-14C-2, 11-14C-5, 11-14C-6a, 11-15A-13a, and 11-15-18b

Wisconsin

Excise Tax:

- Liquefied petroleum gas (LPG): 22.6 cents-per-gallon
- Compressed natural gas (CNG): 24.7 cents-per-GGE
- Liquefied natural gas (LNG): 19.7 cents-per- GGE

The tax rate for alternate fuels (CNG, LNG, and LPG) is determined by dividing BTUs in one gallon of the alternate fuel by the BTUs in 1 gallon of gasoline. This ratio is then multiplied by the Wisconsin tax on 1 gallon of gasoline (currently 30.9 cents-per-gallon).

Dealer: License required.

Use: Transportation fund.

Source: Wisconsin Statutes 78.40, Wisconsin Department of Revenue Alternative Fuel Tax

Wyoming

Electric Vehicle Fee:

- One-time decal fee of \$50.

Use: State highway fund.

Source: 39-17-301 and 31-3-102 (xxiii)

Excise Tax:

- Compressed natural gas (CNG): 24 cents-per-GGE (equal to 5.66 pounds, 126.67 standard cubic feet, or an amount of CNG that has an energy content of 114,100 British Thermal Units).
- Liquefied natural gas (LNG): 24 cents-per-DGE (equal to 6.06 pounds).
- All other alternative fuels (liquefied petroleum gas, electricity, and renewable diesel) taxed at 24 cents-per-GGE or DGE.
 - One GGE of CNG is equal to 5.66 pounds, and one DGE of LNG is equal to 6.06 pounds. One GGE of electricity is equal to 33.56 kilowatt-hours.

Use: State highway fund.

- Divided between state highway fund and county/local funds.

Sources: Wyoming Department of Transportation Tax Rates, Wyoming Statutes 39-17-104 and 39-17-204

Dealer Fee:

- Annual fee of \$25 for alternative fuel supplier, refiner, distributor, terminal operator, importer or exporter of alternative fuel used in motor vehicles.

Use: State highway fund.

Source: Wyoming Statute 39-17-306, 311