

# ***Motor Fuel Tax (AS 43.40)***

## **What it Does**

- Increases current tax rates
  - Highway Fuel: 8 cents to 16 cents
  - Marine Fuel: 5 cents to 10 cents
  - Aviation Gas: 4.7 cents to 7 cents
  - Jet Fuel: 3.2 cents to 6.5 cents
- Doubles the credit for highway fuel used off-road

## **How it Differs from Regular Session Bill**

- Reduces proposed increases on Aviation and Jet Fuel (from proposed HFIN work draft CS to HB249)
- Does not incorporate 2-year sunset in Transportation Committee Substitute

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### **How Much Does it Raise?**

- About \$43 million / year
- Roughly doubles current motor fuel collections
- About \$200,000 shared with municipal airports

### **How Does it Impact Alaskans?**

- Current tax rates haven't increased in many years; last increase to the 8c Highway rate was in 1970
- Alaska would still have the lowest tax rate
- A typical person who drives 12,000 miles / year in a vehicle that gets 20 miles / gallon will pay an added \$48