

Motor Fuel Tax Overview

House Transportation Committee

Department of Revenue

March 16, 2021



Alaska's Motor Fuel Tax Statutes & Regulations

AS 43.40.005 – AS 43.40.100

“Motor fuel” is defined by statute as any fuel used in an engine for the propulsion of a motor vehicle or aircraft, fuel used in or on watercraft for any purpose, or in a stationary engine, machine or mechanical contrivance which is run by an internal combustion motor.

15 AAC 40.300 – 15 AAC 40.900

These are regulations that interpret the Motor Fuel Tax statutes



Brief History of Alaska's Motor Fuel Tax

- 1945 – First motor fuel tax levied at \$0.01/gallon
- 1970 – Motor fuel tax was increased to \$0.08/gallon
- 1977 – Marine fuel tax was increased to \$0.05/gallon
- 1994 – Aviation fuel tax was increased to \$0.047/gallon
- Sept. 1, 2008 – Aug. 31, 2009 – Motor fuel tax suspended across all fuel types
- 2015 – HB 158 added a \$0.0095/gallon surcharge on motor fuel
- 2019 – SB 115 proposed to increase highway fuel, gasohol, and marine fuel rates, but the bill did not pass both bodies.



Current Motor Fuel Tax Rates & Surcharge

Highway Fuel – \$0.08/gallon

Marine Fuel – \$0.05/gallon

Aviation Fuel – \$0.047/gallon

Jet Fuel – \$0.032/gallon

Gasohol – \$0.08/gallon or \$0.02/gallon depending on the season, location, and U.S. EPA mandates

Surcharge – \$0.0095/gallon



Motor Fuel Tax Returns & Tax Payments

- Returns are filed and tax is paid monthly
- Online filing is required
- Four Separate Returns:
 1. Gasoline
 2. Diesel
 3. Aviation
 4. Gasohol
- Taxpayers who file and pay on time can receive a credit of 1% of the tax and surcharge due (limited to a maximum credit of \$100 per return).



Historic Taxable Gallons

Gallons	FY 2017	FY 2018	FY 2019	FY 2020
Highway Fuel	366,035,525	369,230,096	352,860,411	347,466,172
Marine Fuel	109,067,821	110,570,346	113,507,485	116,020,379
Jet Fuel	137,352,645	130,502,936	132,953,061	130,427,120
Aviation Gasoline	9,470,564	9,175,739	8,949,626	7,573,250
Total Gallons	621,926,555	619,479,117	608,270,583	601,486,921



Historic Tax Collections Summary

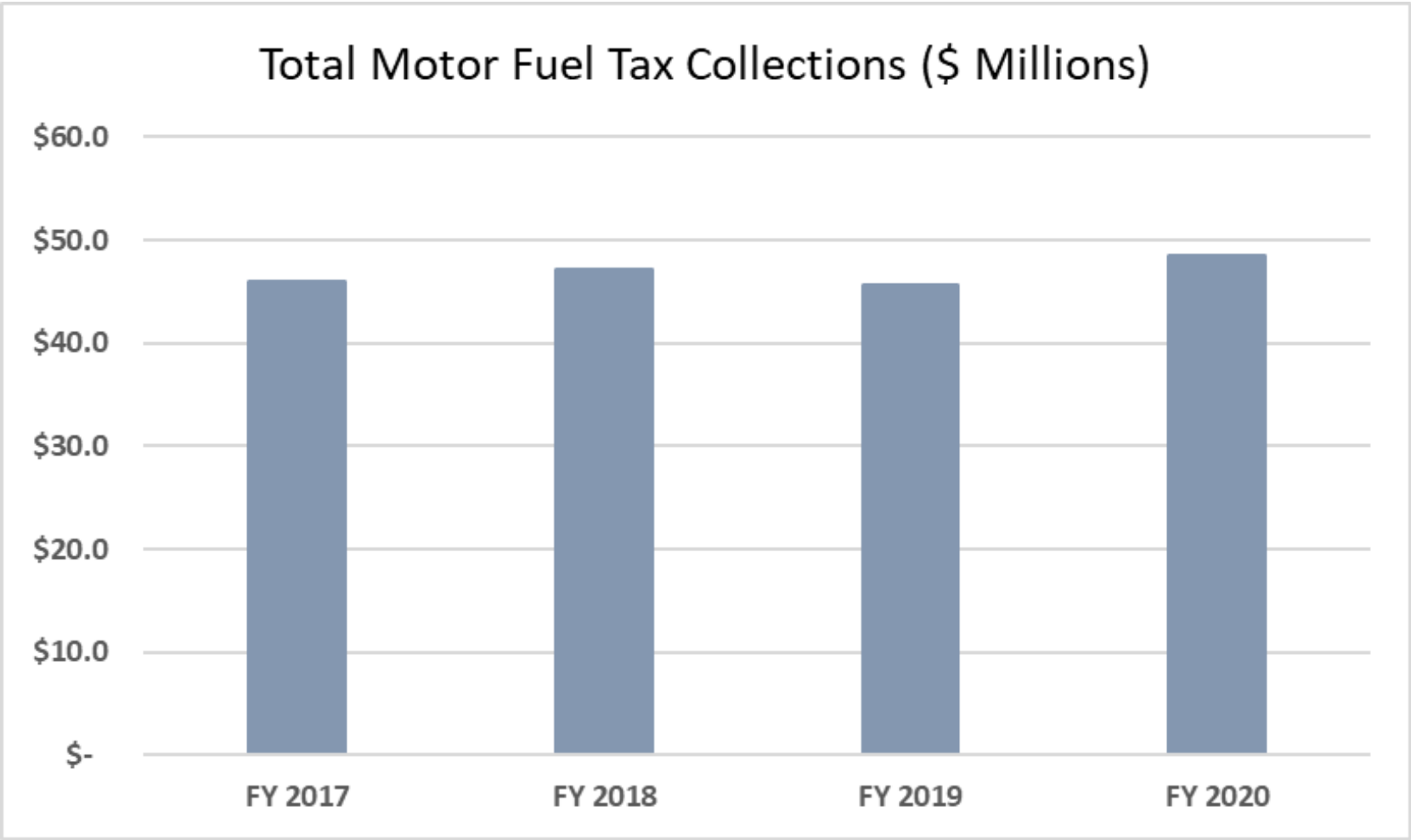
Collections	FY 2017	FY 2018	FY 2019	FY 2020
Highway Fuel	\$ 29,311,111	\$ 30,555,948	\$ 28,895,914	\$ 30,563,666
Marine Fuel	5,417,976	5,706,226	5,634,575	5,948,378
Jet Fuel	4,092,083	4,067,053	4,419,845	4,787,601
Aviation Gasoline	442,531	438,612	400,389	382,029
Gasoline Surcharge	3,952,961	3,619,750	3,588,219	4,111,986
Diesel Surcharge	2,662,537	2,729,633	2,687,699	2,741,685
Penalties & Interest	65,240	31,391	76,646	18,256
Total Collections	\$ 45,944,439	\$ 47,148,613	\$ 45,703,285	\$ 48,553,599

General Fund Deposits	\$ 45,820,059	\$ 47,049,908	\$ 45,603,317	\$ 48,408,380
Aviation Tax Shared with Municipalities	124,380	98,705	99,968	145,219
Total Funds	\$ 45,944,439	\$ 47,148,613	\$ 45,703,285	\$ 48,553,599



Note: Some numbers may show slight differences due to rounding

Historic Tax Collections Trends



Questions?

THANK YOU

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