

HB

306

HB 306

Tape #

23

Date

4/3

To Commerce  
Committee —

your copy

Item # 3  
Draught

"An Act relating to the motor fuel oil tax; and providing for an effective date."

# COMMITTEE REPORT

3/18/75

HOUSE

FINANCE

Mr. Speaker:

Date 4/3/75

The Committee on Commerce has had HE 306

under consideration. A and Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT  
CS FOR \_\_\_\_\_ DO PASS
- "and" recommends it BE REFERRED TO THE \_\_\_\_\_  
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends: no  
 \_\_\_\_\_ recommends: no  
 \_\_\_\_\_ recommends: no  
 \_\_\_\_\_ recommends:  
 \_\_\_\_\_ recommends:

\_\_\_\_\_  
 \_\_\_\_\_ Chairman

## MEMORANDUM

## State of Alaska

TO: Sterling Gallagher  
Commissioner of Revenue

DATE: March 11, 1975

FILE NO:

306

TELEPHONE NO:

FROM: Frederick P. Boetsch *FB*  
Deputy Commissioner  
Department of Revenue

SUBJECT: Increase in the Motor  
Fuel Tax

A Bill has been prepared which would increase the tax on motor fuel from eight cents per gallon to ten cents per gallon. The incidence of this tax will fall upon all motor fuel users and could cause the price of gasoline to increase at least two cents per gallon.

This tax increase is necessary in order to defray costs of highway maintenance which currently are far in excess of the revenues we receive both from this tax source and the motor vehicle licensing program. Although this increase will not entirely close the gap between the revenues and highway maintenance expenditures it will bring us closer by the amount indicated below.

As a side note, I might point out that a proposal has been introduced by President Ford that would call for a shifting of highway taxes from the federal to the state level whereby each one cent increase in State Motor Fuel Tax would result in a corresponding decrease in federal fuel taxes in that state. If this legislation passes then, of course, the impact of our Bill will be zero on the cost of gasoline to the motorist. However, at this stage that is somewhat speculative.

The projected increases in revenues from this Bill between FY 76 and FY 80 are as follows:

Projected Increases in Revenues  
(\$000 Omitted)

<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
<u>4368.6</u>	<u>5591.7</u>	<u>6262.7</u>	<u>7023.1</u>	<u>7865.9</u>

We anticipate no increase cost of administration as a result of this Bill.

FPB:lw

STATE MOTOR FUEL TAX RATES  
 SEPTEMBER 1974  
 (¢ per gallon)

<u>STATE</u>	<u>GASOLINE</u>	<u>DIESEL</u>	<u>LIQUID PETROLEUM GAS</u>
Alabama	7	8	7
Alaska	8	8	No Tax
Arizona	8	8	8
Arkansas	8.5	9.5	8.5
California	7	7	6
Colorado	7	7	7
Connecticut	10	10	10
Delaware	9	9	9
Florida	8	8	8
Georgia	7.5	7.5	7.5
Hawaii	8 to 10*	8 to 10*	8 to 10*
Idaho	8.5	8.5	8.5
Illinois	7.5	7.5	7.5
Indiana	8	8	8
Iowa	7	8	7
Kansas	7	8	5
Kentucky	9	9	9
Louisiana	8	8	8
Maine	9	9	9
Maryland	9	9	9
Massachusetts	7.5	7.5	7.5
Michigan	9	9	9
Minnesota	7	7	7
Mississippi	8	10	8
Missouri	7	7	7
Montana	7	9	7
Nebraska	8.5	8.5	8.5
Nevada	6	6	6
New Hampshire	9	9	9
New Jersey	8	8	4
New Mexico	7	7	7
New York	8	10	8
North Carolina	9	9	9
North Dakota	7	7	7
Ohio	7	7	7
Oklahoma	6.58	6.58	6.58
Oregon	7	7	7
Pennsylvania	9	9	9
Rhode Island	8	8	8
South Carolina	8	8	8
South Dakota	7	7	6
Tennessee	7	8	7
Texas	5	6.5	5
Utah	7	7	7
Vermont	9	No tax	No tax
Virginia	9	9	9
Washington	9	9	9
West Virginia	8.5	8.5	8.5
Wisconsin	7	7	7
Wyoming	7	7	**
Washington D. C.	8	8	8

\*Including county gasoline taxes, combined rates range from 8¢ to 10¢

\*\*Monthly mileage fee or ton-mileage fees.

SOURCE OF STATISTICS: Prentice Hall All States  
 Tax Service

SUMMARY OF PRECEDING TABLE OF GASOLINE TAX RATES

AS OF SEPTEMBER 1, 1974

<u>TAX RATE PER GALLON</u>	<u>NO. OF STATES</u>
5.0 ¢	1
6.0 ¢	1
6.58 ¢	1
7.0 ¢	17
7.5 ¢	3
8.0 ¢	11
8.5 ¢	4
9.0 ¢	11
10.0 ¢	2
	<hr/>
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GENERAL INFORMATION

- 23 States have lower motor fuel tax rates than does Alaska
- 10 States have the same motor fuel tax rate as does Alaska
- 17 States have higher motor fuel tax rates than does Alaska

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Kansas	7	8	5
Kentucky	9	9	9
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Maine	9	9	9
Maryland	9	9	9
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Mississippi	8	10	8
Missouri	7	7	
Montana	7	9	7
Nebraska	8.5	8.5	8.5
Nevada	6	6	6
New Hampshire	9	9	9
New Jersey	8	8	4
New Mexico	7	7	7
New York	8	10	8
North Carolina	9	9	9
North Dakota	7	7	7
Ohio	7	7	7
Oklahoma	6.58	6.58	6.58
Oregon	7	7	7
Pennsylvania	9	9	9
Rhode Island	8	8	8
South Carolina	8	8	8
South Dakota	7	7	6
Tennessee	7	8	7
Texas	5	6.5	5
Utah	7	7	7
Vermont	9	No tax	No tax
Virginia	9	9	9
Washington	9	9	9
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