



WHAT A 25-CENT FEDERAL GAS TAX INCREASE WOULD LOOK LIKE IN EACH STATE

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INTRODUCTION

Recent proposals to increase federal fuel taxes by as much as 25 cents should raise alarms for every American. The burden of the gas tax is borne especially by those Americans that drive each day, but its impact is felt throughout the economy as it drives up the cost of transporting goods and services on our Nation's roadways.

The modern gas tax was created in 1956 at a rate of 3 cents a gallon.¹ Those funds were deposited in the Highway Trust Fund, which was created to pay for the construction of the interstate highway system. Over time, lawmakers have increased the gas tax to its current rate of 18.4 cents per gallon (the tax on diesel is 24.4 cents per gallon).² During that span, lawmakers have also developed the bad habit of diverting highway funds to other, unrelated projects. In fact, the Government Accountability Office has found that just six percent of Highway Trust Fund dollars go toward major projects for actual construction, reconstruction or rehabilitation of roads or bridges.³ This habit of diverting funds for unrelated projects leaves fewer dollars for the repair and construction of our Nation's roads and bridges, and encourages lawmakers to continue calling for gas tax hikes in the name of "underfunded" infrastructure projects.

¹ Federal Highway Administration, "When did the Federal Government begin collecting the gas tax?" [FHWA](#) (June 27, 2017).

² *Id.*

³ Robert Poole, "Rethinking the Highway Trust Fund," [testimony](#) before the Committee on Ways and Means, U.S. House of Representatives (June 17, 2015) at 5.

Now, as lawmakers consider a large infrastructure package that would increase spending, many are calling for a significant increase in federal fuel taxes—more than doubling the current gas tax to whopping 43.4 cents per gallon. This reaction should not be entirely unexpected—for years we have seen lawmakers refuse to acknowledge the rampant waste and woeful inefficiencies of our current infrastructure, or make the tough choices necessary to prioritize spending. The federal government does not have a revenue problem when it comes to our nation’s infrastructure; it has a spending problem.

The information that follows seeks to illustrate the heavy burden that a 25-cent federal gas tax increase would impose on Americans on a state-by-state basis. The U.S. Chamber of Commerce estimates that this proposal would raise \$394 billion in new revenue over 10 years.⁴ That impact would not be uniformly felt throughout the country—every American stands to lose under this proposal, but some would be more heavily impacted than others.

A STATE-BY-STATE LOOK

Though the proposed increase in the federal gas tax would be uniform across the country, its impacts would be felt differently in each state based on consumption and existing state-level taxes on fuel. For a comprehensive look, Table 1 shows the total new tax burden for the states at large under the proposed 25-cents-per-gallon gas tax hike, as well as the per household breakdown of the increase cost at the pump. These additional costs would be on an annual basis. More details on the household burden calculation is available in the appendix, Table 2A. It should be noted that the tables that follow include consumption only for transportation, and exclude consumption for commercial and industrial uses. This was done to assess a clearer picture of the direct burden that individuals and families would face at the pump.

	2016 Motor Gasoline Consumption for Transportation (Gallons) ⁵	Additional Burden of 25¢/Gallon Based on 2016 Consumption	New Tax Burden Per Household
Alabama	2,671,200,000	\$667,800,000	\$360.77
Alaska	282,030,000	\$70,507,500	\$281.77
Arizona	2,749,194,000	\$687,298,500	\$280.65
Arkansas	1,465,212,000	\$ 366,303,000	\$320.90
California	14,650,860,000	\$3,662,715,000	\$285.98
Colorado	2,246,790,000	\$561,697,500	\$273.78

⁴ Thomas Donohue, “America’s Infrastructure Summit: Time to Modernize” [U.S. Chamber of Commerce](#) (January 18, 2018).

⁵ “Table F3: Motor Gasoline Consumption, Price, And Expenditure Estimates, 2016,” U.S. Energy Information Administration (February 2, 2018).

TABLE 1: ADDITIONAL BURDEN OF 25¢ FEDERAL GAS TAX INCREASE BY STATE

	2016 Motor Gasoline Consumption for Transportation (Gallons) ⁵	Additional Burden of 25¢/Gallon Based on 2016 Consumption	New Tax Burden Per Household
Connecticut	1,451,310,000	\$62,827,500	\$267.83
Delaware	469,980,000	\$117,495,000	\$ 337.58
District of Columbia	114,366,000	\$28,591,500	\$103.39
Florida	8,496,474,000	\$2,124,118,500	\$287.30
Georgia	4,641,924,000	\$1,160,481,000	\$321.31
Hawaii	446,292,000	\$111,573,000	\$246.83
Idaho	750,834,000	\$ 187,708,500	\$314.89
Illinois	4,661,748,000	\$1,165,437,000	\$242.69
Indiana	3,063,312,000	\$765,828,000	\$304.65
Iowa	1,670,130,000	\$417,532,500	\$336.00
Kansas	1,301,118,000	\$325,279,500	\$291.51
Kentucky	2,173,836,000	\$543,459,000	\$316.29
Louisiana	2,209,410,000	\$552,352,500	\$319.02
Maine	776,370,000	\$ 194,092,500	\$352.19
Maryland	2,643,018,000	\$ 660,754,500	\$303.45
Massachusetts	2,725,590,000	\$ 681,397,500	\$266.29
Michigan	4,614,960,000	\$ 1,153,740,000	\$298.87
Minnesota	2,566,956,000	\$641,739,000	\$300.54
Mississippi	1,716,876,000	\$429,219,000	\$390.62
Missouri	3,134,082,000	\$ 783,520,500	\$330.27
Montana	524,496,000	\$131,124,000	\$317.76
Nebraska	864,402,000	\$216,100,500	\$291.41
Nevada	1,122,618,000	\$280,654,500	\$272.29
New Hampshire	693,546,000	\$173,386,500	\$332.56
New Jersey	4,053,714,000	\$1,013,428,500	\$317.19
New Mexico	922,530,000	\$230,632,500	\$302.45
New York	5,417,664,000	\$1,354,416,000	\$186.40
North Carolina	4,545,744,000	\$1,136,436,000	\$297.86
North Dakota	424,074,000	\$106,018,500	\$347.42
Ohio	4,927,314,000	\$1,231,828,500	\$267.70
Oklahoma	1,894,914,000	\$473,728,500	\$324.14
Oregon	1,528,254,000	\$382,063,500	\$247.17
Pennsylvania	4,771,914,000	\$1,192,978,500	\$240.43

	2016 Motor Gasoline Consumption for Transportation (Gallons)⁵	Additional Burden of 25¢/Gallon Based on 2016 Consumption	New Tax Burden Per Household
Rhode Island	360,234,000	\$90,058,500	\$219.53
South Carolina	2,776,914,000	\$694,228,500	\$377.49
South Dakota	468,888,000	\$117,222,000	\$351.45
Tennessee	3,322,368,000	\$830,592,000	\$329.31
Texas	13,827,744,000	\$3,456,936,000	\$372.13
Utah	1,163,316,000	\$290,829,000	\$316.68
Vermont	301,812,000	\$75,453,000	\$293.47
Virginia	3,942,120,000	\$985,530,000	\$318.92
Washington	2,696,568,000	\$674,142,000	\$250.00
West Virginia	799,260,000	\$199,815,000	\$270.24
Wisconsin	2,542,680,000	\$ 635,670,000	\$275.15
Wyoming	345,282,000	\$86,320,500	\$380.29

Table 2 shows the top ten states with the highest percentage increase in total gas tax liability under the 25-cent increase proposal. These rankings were calculated based on the state’s current total gas tax, including state and federal taxes, that are imposed at the pump compared with the total of those taxes under the proposed hike. More details on these findings are available in the appendix, Table 1A.

Rank	State	Percentage Increase
1	Alaska	81%
2	Oklahoma	71%
3	Missouri	70%
4	Mississippi	67%
5	New Mexico	67%
6	Arizona	67%
7	Texas	65%
8	Louisiana	65%
9	South Carolina	64%
10	Alabama	64%

States like Pennsylvania and California are well known for their already-high state gas taxes. Under the 25-cent proposed hike, drivers in these states would face even more burdensome prices at the pump. Table 3 highlights the top 10 states with the highest total tax burden per gallon under the proposed hike. A full list of all states' tax burden per gallon under the proposed tax hike is available in the appendix, Table 3A.

Rank	State	Total State and Federal Taxes/Fees Per Gallon With Additional 25¢/Gallon Federal Tax
1	Pennsylvania	\$1.0210
2	California	\$0.9689
3	Washington	\$0.9280
4	Hawaii	\$ 0.8788
5	New York	\$0.8770
6	Michigan	\$0.8554
7	Indiana	\$0.8530
8	Florida	\$0.8499
9	Connecticut	\$0.8270
10	New Jersey	\$0.8050

Taken on the whole at the state level, these tax increases would be massive. States with high consumption and high state gas taxes would be hardest hit. Table 4 shows the top ten states with the highest total gas tax burden statewide. The full list of all state's total tax burden is available in the appendix, Table 4A.

Rank	State	Total State and Federal Gas Tax Burden (Including 25¢/Gallon Federal Tax) Based on 2016 Consumption
1	California	\$14,195,218,254.00
2	Texas	\$8,766,789,696.00
3	Florida	\$7,221,153,252.60
4	Pennsylvania	\$4,872,124,194.00
5	New York	\$4,751,291,328.00
6	Michigan	\$3,947,636,784.00
7	Illinois	\$3,665,066,277.60
8	North Carolina	\$3,534,315,960.00
9	Ohio	\$ 3,518,594,927.40
10	Georgia	\$3,480,978,807.60

CONCLUSION

Lawmakers have not shown that they are willing to make tough choices necessary to protect the integrity of the Highway Trust Fund, stop diversions that pay for unrelated or local projects, or reform outdated labor laws and other regulations that drive up the cost of infrastructure projects. Taxpayers have no reason to believe that these practices will stop with increased funding—in fact, those behaviors may even accelerate if a new pool of tax revenue is unleashed.

Just a few months ago, Congress provided long-awaited and much-needed relief to American taxpayers through a comprehensive overhaul of the federal tax code. A gas tax increase would claw back a large portion of that benefit just as individuals and families are starting to see the impact of tax reform in the form of higher wages, more take home pay, and greater job opportunities.

Essentially, Washington would be asking taxpayers to immediately give back at the gas pump a share of their recently obtained tax relief. That is absolutely the wrong approach and would betray the promises that were made to taxpayers throughout the tax reform debate.

Instead of asking Americans to pay higher gas taxes, the president and Congress should pursue reforms that prioritize federal transportation infrastructure needs, reduce costly and time-consuming bureaucratic hurdles, and ensure that tax dollars are spent on roads and bridges, not frittered away on unrelated pet projects, red tape, and paperwork.

APPENDIX

	Total Current State and Federal Taxes/Fees Per Gallon (With 18.4¢/Gallon Federal Tax) ⁶	Total State and Federal Taxes/Fees Per Gallon With Additional 25¢/Gallon Federal Tax	Percentage Increase Over Current Burden
Alabama	\$0.3931	\$0.6431	64%
Alaska	\$0.3070	\$0.5570	81%
Arizona	\$0.3740	\$0.6240	67%
Arkansas	\$0.4020	\$0.6520	62%
California	\$0.7189	\$0.9689	35%
Colorado	\$0.4040	\$0.6540	62%
Connecticut	\$0.5770	\$0.8270	43%
Delaware	\$0.4140	\$0.6640	60%

⁶ “Gasoline Tax,” [American Petroleum Institute](#), (Accessed February 15, 2018).

TABLE 1A: PERCENT (%) INCREASE OF TOTAL GAS TAX BURDEN UNDER PROPOSED TAX HIKE

	Total Current State and Federal Taxes/Fees Per Gallon (With 18.4¢/Gallon Federal Tax) ⁶	Total State and Federal Taxes/Fees Per Gallon With Additional 25¢/Gallon Federal Tax	Percentage Increase Over Current Burden
District of Columbia	\$0.4190	\$0.6690	60%
Florida	\$0.5999	\$0.8499	42%
Georgia	\$0.4999	\$0.7499	50%
Hawaii	\$0.6443	\$ 0.8943	40%
Idaho	\$0.5140	\$0.7640	49%
Illinois	\$0.5362	\$0.7862	47%
Indiana	\$0.6030	\$0.8530	41%
Iowa	\$0.4890	\$0.7390	51%
Kansas	\$0.4243	\$0.6743	59%
Kentucky	\$0.4440	\$0.6940	56%
Louisiana	\$0.3841	\$0.6341	65%
Maine	\$0.4841	\$0.7341	52%
Maryland	\$0.5220	\$0.7720	48%
Massachusetts	\$0.4494	\$0.6994	56%
Michigan	\$0.6078	\$0.8578	41%
Minnesota	\$0.4700	\$0.7200	53%
Mississippi	\$0.3719	\$0.6219	67%
Missouri	\$0.3575	\$0.6075	70%
Montana	\$0.5065	\$0.7565	49%
Nebraska	\$0.4770	\$0.7270	54%
Nevada	\$0.5218	\$0.7718	48%
New Hampshire	\$0.4223	\$0.6723	59%
New Jersey	\$0.5550	\$0.8050	45%
New Mexico	\$0.3728	\$0.6228	67%
New York	\$0.6270	\$0.8770	40%
North Carolina	\$0.5375	\$0.7875	47%
North Dakota	\$0.4140	\$0.6640	60%
Ohio	\$0.4641	\$ 0.7141	54%
Oklahoma	\$0.3540	\$0.6040	71%
Oregon	\$0.5517	\$ 0.8017	45%
Pennsylvania	\$0.7710	\$1.0210	32%
Rhode Island	\$0.5240	\$0.7740	48%
South Carolina	\$0.3915	\$0.6415	64%

	Total Current State and Federal Taxes/Fees Per Gallon (With 18.4¢/Gallon Federal Tax)⁶	Total State and Federal Taxes/Fees Per Gallon With Additional 25¢/Gallon Federal Tax	Percentage Increase Over Current Burden
South Dakota	\$0.4840	\$0.7340	52%
Tennessee	\$0.4380	\$0.6880	57%
Texas	\$0.3840	\$0.6340	65%
Utah	\$0.4781	\$ 0.7281	52%
Vermont	\$0.4912	\$0.7412	51%
Virginia	\$0.4080	\$0.6580	61%
Washington	\$0.6780	\$0.9280	37%
West Virginia	\$0.5410	\$0.7910	46%
Wisconsin	\$0.5130	\$0.7630	49%

	Number of Households⁷	Total State and Federal Gas Tax Burden (Including 25¢/Gallon Federal Tax) Based on 2016 Consumption	Total State and Federal Gas Tax Burden (Including 25¢/Gallon Federal Tax) Per Household Based on 2016 Consumption
Alabama	1,851,061	\$1,717,848,720.00	\$928.03
Alaska	250,235	\$157,090,710.00	\$627.77
Arizona	2,448,919	\$1,715,497,056.00	\$700.51
Arkansas	1,141,480	\$955,318,224.00	\$836.91
California	12,807,387	\$14,195,218,254.00	\$1,108.36
Colorado	2,051,616	\$1,469,400,660.00	\$716.22
Connecticut	1,354,713	\$1,200,233,370.00	\$885.97
Delaware	348,051	\$312,066,720.00	\$896.61
District of Columbia	276,546	\$76,510,854.00	\$276.67
Florida	7,393,262	\$7,221,153,252.60	\$976.72
Georgia	3,611,706	\$3,480,978,807.60	\$963.80
Hawaii	452,030	\$392,118,935.60	\$882.95
Idaho	596,107	\$573,637,176.00	\$962.31
Illinois	4,802,124	\$3,665,066,277.60	\$763.22
Indiana	2,513,828	\$2,613,005,136.00	\$1,039.45

⁷ “Households and Families: 2012-2016 American Community Survey 5-Year Estimates,” [United States Census Bureau](https://www.census.gov) (Accessed February 15, 2018).

TABLE 2A: TOTAL GAS TAX BURDEN PER HOUSEHOLD UNDER PROPOSED TAX HIKE

	Number of Households ⁷	Total State and Federal Gas Tax Burden (Including 25¢/Gallon Federal Tax) Based on 2016 Consumption	Total State and Federal Gas Tax Burden (Including 25¢/Gallon Federal Tax) Per Household Based on 2016 Consumption
Iowa	1,242,641	\$1,234,226,070.00	\$993.23
Kansas	1,115,858	\$877,343,867.40	\$786.25
Kentucky	1,718,217	\$1,508,642,184.00	\$878.03
Louisiana	1,731,398	\$1,400,986,881.00	\$809.17
Maine	551,109	\$569,933,217.00	\$1,034.16
Maryland	2,177,492	\$2,040,409,896.00	\$937.05
Massachusetts	2,558,889	\$1,906,277,646.00	\$744.96
Michigan	3,860,394	\$3,958,712,688.00	\$1,025.47
Minnesota	2,135,310	\$1,848,208,320.00	\$ 865.55
Mississippi	1,098,803	\$1,067,725,184.40	\$971.72
Missouri	2,372,362	\$ 1,903,954,815.00	\$802.56
Montana	412,653	\$396,781,224.00	\$961.54
Nebraska	741,581	\$628,420,254.00	\$847.41
Nevada	1,030,701	\$866,436,572.40	\$840.63
New Hampshire	521,373	\$466,270,975.80	\$894.31
New Jersey	3,195,014	\$3,263,239,770.00	\$1,021.35
New Mexico	762,551	\$574,551,684.00	\$753.46
New York	7,266,187	\$4,751,291,328.00	\$653.89
North Carolina	3,815,392	\$3,579,773,400.00	\$938.25
North Dakota	305,163	\$281,585,136.00	\$922.74
Ohio	4,601,449	\$3,518,594,927.40	\$764.67
Oklahoma	1,461,500	\$1,144,528,056.00	\$783.12
Oregon	1,545,745	\$1,225,201,231.80	\$792.63
Pennsylvania	4,961,929	\$4,872,124,194.00	\$981.90
Rhode Island	410,240	\$278,821,116.00	\$679.65
South Carolina	1,839,041	\$1,781,390,331.00	\$968.65
South Dakota	333,536	\$344,163,792.00	\$1,031.86
Tennessee	2,522,204	\$2,285,789,184.00	\$906.27
Texas	9,289,554	\$8,766,789,696.00	\$943.73
Utah	918,367	\$847,010,379.60	\$922.30
Vermont	257,107	\$223,703,054.40	\$ 870.08
Virginia	3,090,178	\$2,593,914,960.00	\$839.41
Washington	2,696,606	\$2,502,415,104.00	\$927.99

TABLE 2A: TOTAL GAS TAX BURDEN PER HOUSEHOLD UNDER PROPOSED TAX HIKE

	Number of Households ⁷	Total State and Federal Gas Tax Burden (Including 25¢/Gallon Federal Tax) Based on 2016 Consumption	Total State and Federal Gas Tax Burden (Including 25¢/Gallon Federal Tax) Per Household Based on 2016 Consumption
West Virginia	739,397	\$632,214,660.00	\$855.04
Wisconsin	2,310,246	\$1,940,064,840.00	\$839.77
Wyoming	226,985	\$232,720,068.00	\$1,025.27

TABLE 3A: TOTAL STATE AND FEDERAL GAS TAX PER GALLON UNDER PROPOSED TAX HIKE

	Total State and Federal Taxes/Fees Per Gallon With Additional 25¢/Gallon Federal Tax
Alabama	\$0.6431
Alaska	\$0.5570
Arizona	\$0.6240
Arkansas	\$0.6520
California	\$0.9689
Colorado	\$0.6540
Connecticut	\$0.8270
Delaware	\$0.6640
District of Columbia	\$0.6690
Florida	\$0.8499
Georgia	\$0.7499
Hawaii	\$0.8943
Idaho	\$0.7640
Illinois	\$0.7862
Indiana	\$0.8530
Iowa	\$0.7390
Kansas	\$0.6743
Kentucky	\$0.6940
Louisiana	\$0.6341
Maine	\$0.7341
Maryland	\$0.7720
Massachusetts	\$0.6994
Michigan	\$0.8578
Minnesota	\$0.7200
Mississippi	\$0.6219
Missouri	\$0.6075

TABLE 3A: TOTAL STATE AND FEDERAL GAS TAX PER GALLON UNDER PROPOSED TAX HIKE	
	Total State and Federal Taxes/Fees Per Gallon With Additional 25¢/Gallon Federal Tax
Montana	\$0.7565
Nebraska	\$0.7270
Nevada	\$0.7718
New Hampshire	\$0.6723
New Jersey	\$0.8050
New Mexico	\$0.6228
New York	\$0.8770
North Carolina	\$ 0.7875
North Dakota	\$0.6640
Ohio	\$0.7141
Oklahoma	\$0.6040
Oregon	\$0.8017
Pennsylvania	\$1.0210
Rhode Island	\$0.7740
South Carolina	\$0.6415
South Dakota	\$0.7340
Tennessee	\$0.6880
Texas	\$0.6340
Utah	\$0.7281
Vermont	\$0.7412
Virginia	\$0.6580
Washington	\$0.9280
West Virginia	\$0.7910
Wisconsin	\$0.7630
Wyoming	\$0.6740

TABLE 4A: TOTAL STATEWIDE GAS TAX BURDEN (\$) INCLUDING STATE AND FEDERAL TAXES UNDER PROPOSED TAX HIKE	
	Total State and Federal Gas Tax Burden (Including 25¢/Gallon Federal Tax) Based on 2016 Consumption
Alabama	\$1,717,848,720.00
Alaska	\$157,090,710.00
Arizona	\$1,715,497,056.00
Arkansas	\$955,318,224.00

TABLE 4A: TOTAL STATEWIDE GAS TAX BURDEN (\$) INCLUDING STATE AND FEDERAL TAXES UNDER PROPOSED TAX HIKE

	Total State and Federal Gas Tax Burden (Including 25¢/Gallon Federal Tax) Based on 2016 Consumption
California	\$14,195,218,254.00
Colorado	\$1,469,400,660.00
Connecticut	\$1,200,233,370.00
Delaware	\$312,066,720.00
District of Columbia	\$76,510,854.00
Florida	\$7,221,153,252.60
Georgia	\$3,480,978,807.60
Hawaii	\$399,118,935.60
Idaho	\$573,637,176.00
Illinois	\$3,665,066,277.60
Indiana	\$2,613,005,136.00
Iowa	\$1,234,226,070.00
Kansas	\$877,343,867.40
Kentucky	\$1,508,642,184.00
Louisiana	\$1,400,986,881.00
Maine	\$569,933,217.00
Maryland	\$2,040,409,896.00
Massachusetts	\$1,906,277,646.00
Michigan	\$3,958,712,688.00
Minnesota	\$1,848,208,320.00
Mississippi	\$1,067,725,184.40
Missouri	\$1,903,954,815.00
Montana	\$396,781,224.00
Nebraska	\$628,420,254.00
Nevada	\$866,436,572.40
New Hampshire	\$466,270,975.80
New Jersey	\$3,263,239,770.00
New Mexico	\$574,551,684.00
New York	\$4,751,291,328.00
North Carolina	\$3,579,773,400.00
North Dakota	\$281,585,136.00
Ohio	\$3,518,594,927.40
Oklahoma	\$1,144,528,056.00
Oregon	\$1,225,201,231.80

TABLE 4A: TOTAL STATEWIDE GAS TAX BURDEN (\$) INCLUDING STATE AND FEDERAL TAXES UNDER PROPOSED TAX HIKE

	Total State and Federal Gas Tax Burden (Including 25¢/Gallon Federal Tax) Based on 2016 Consumption
Pennsylvania	\$4,872,124,194.00
Rhode Island	\$278,821,116.00
South Carolina	\$1,781,390,331.00
South Dakota	\$344,163,792.00
Tennessee	\$ 2,285,789,184.00
Texas	\$8,766,789,696.00
Utah	\$847,010,379.60
Vermont	\$223,703,054.40
Virginia	\$2,593,914,960.00
Washington	\$2,502,415,104.00
West Virginia	\$632,214,660.00
Wisconsin	\$1,940,064,840.00
Wyoming	\$232,720,068.00