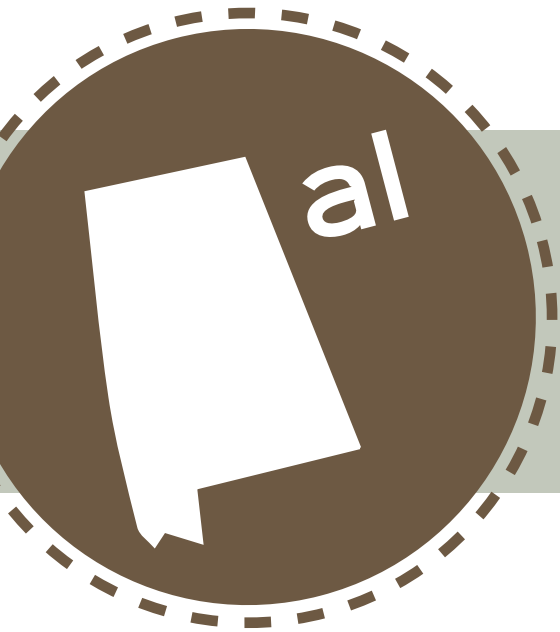


IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$ **.16**
MILLION

estimated # of gallons for which the airlines receive a tax break:

4
MILLION

Airlines with a hub operation are **EXEMPT** from the \$0.035 per gallon jet fuel excise tax.

COST: \$0.16 million

MOTOR FUEL vs. JET FUEL (Effective State Fuel Tax Rate)

Car drivers buying an average gallon of gasoline:

\$ **0.21**

Commercial airlines buying a \$3 gallon of jet fuel:

\$ **.00025 - .04525**

SOURCES:

Excise Tax Break: <http://alisondb.legislature.state.al.us/acas/CodeOfAlabama/1975/40-17-329.htm>. Section 40-17-329 (g). AL rules current as of June 20, 2014.

Cost of Excise Tax Break and Number of gallons airlines get a tax break on: Estimates based on 2013 prime supplier sales data from the Energy Information Administration (EIA) and commercial airline fuel use data from the Bureau of Transportation Statistics (BTS). Airline flight schedules for Birmingham-Shuttlesworth International Airport from the week of June 15, 2014 used to determine which airlines may be considered to have a hub operation as defined in Section 40-17-329.

Jet Fuel Tax Rate: Jet fuel excise tax is \$0.035 per gallon <http://alisondb.legislature.state.al.us/acas/codeofalabama/1975/40-17-325.htm>. There is also a \$0.00025 inspection fee <http://alisondb.legislature.state.al.us/acas/CodeOfAlabama/1975/8-17-87.htm>

Gasoline Tax Rate: Estimates from the American Petroleum Institute (API) based on average price earlier this year.