

IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$7.9
MILLION

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

103
MILLION

Airlines **EXEMPT** from the state \$0.0305 per gallon jet fuel excise tax after 10 million gallons.

COST: \$6.2 million

Int'l flights are **EXEMPT** from jet fuel per gallon excise taxes when immediate destination is foreign.

COST: \$1.7 million

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

Car drivers buying an average gallon of gasoline:

\$0.19

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

\$0 - 0.04087

SOURCES:
Excise Tax Break: <http://www.azleg.gov/FormatDocument.asp?inDoc=/ars/42/05352.htm&Title=42&DocType=ARS>
International Fuel Tax Break: <http://www.azleg.gov/FormatDocument.asp?inDoc=/ars/42/05354.htm&Title=42&DocType=ARS>
Cost of Excise Tax Break: <http://www.azdor.gov/LinkClick.asp?fileticket=kofgps-m-nl%3d&tabid=108&mid=492>, Page 63. "Summary of Jet fuel Excise and Use Tax Expenditures."
Cost of International Fuel Tax Break and Number of gallons airlines get a tax break on: Estimates based on 2013 jet fuel prime supplier sales data and jet fuel prices from the Energy Information Administration (EIA) and commercial airline fuel use data from the Bureau of Transportation Statistics (BTS).
Jet Fuel Tax Rate: Flying out of Phoenix, airlines pay \$0.03355 combined state and Maricopa County Jet Fuel Use Tax and \$0.00732 Phoenix tax. State and Maricopa County: http://modelcitytaxcode.az.gov/Tax_rate/PDF/201403.pdf. Phoenix: <http://www.codepublishing.com/az/phoenix/frameless/index.pl?path=../html/Phoenix14/Phoenix14422.html>. AZ rules current as of March 19, 2014.
Gasoline Tax Rate: Estimates from the American Petroleum Institute (API) based on average price earlier this year.