

IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$27
MILLION

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

341
MILLION



Airlines are **EXEMPT** from 25% of state sales tax and some local sales taxes.

COST: \$27 million

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

Car drivers buying an average gallon of gasoline:

\$0.27

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

\$0.15

SOURCES:

Sales Tax Break: Georgia Code § 48-8-3 (33.1)(A). GA rules current as of August 12, 2014.

Cost of Sales Tax Break: <http://www.open.georgia.gov/reports/GeorgiaTaxExpenditures2014.pdf>, Page 107: Partial sales tax exemption for jet fuel sold to or used by a qualifying airline at a qualifying airport.

Number of gallons airlines get a tax break on: Estimate based on jet fuel prime supplier sales data from the Energy Information Administration (EIA) and commercial airline fuel use data from the Bureau of Transportation Statistics. 2012 EIA numbers were used because the 2013 data is an outlier from the previous past 5 years of state jet fuel use .

Jet Fuel Tax Rate: <https://etax.dor.ga.gov/salestax/st3forms/ST-3-2014.pdf>. For ATL: Airlines pay state sales tax rate of 3% and Clayton County rate of 2%.

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