

IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$25.4
MILLION

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

162
MILLION

International and interstate flights **EXEMPT** from Hawaii sales tax (the General Excise Tax or GET), and the \$0.02 per gallon license tax.

COST: \$22.2 million GET exemption

COST: \$3.2 million license tax exemption

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

Car drivers buying an average gallon of gasoline:

\$0.48

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

\$0 - 0.155

SOURCES:
International and Interstate Tax Break: <http://tax.hawaii.gov/geninfo/get/>. The sale of jet fuel in Hawaii is subject to the 4% general excise tax (GET), 4.5% if on Oahu, where Honolulu International Airport is. Airline interstate and international flight exemption: <http://law.justia.com/codes/hawaii/2013/title-13/chapter-212/section-212-8>. Interstate and international flights are also exempt from the \$0.02 per gallon fuel license tax, §243-4 License taxes (2) and §243-7 (a): http://files.hawaii.gov/tax/legal/hrs/hrs_243.pdf. HI rules current as of June 19, 2014.
Cost of International and Interstate Tax Breaks and Number of gallons airlines get a tax break on: Estimates based on 2013 jet fuel sales to end users data from the Energy Information Administration and commercial airline fuel use data from the Bureau of Transportation Statistics. Estimates are for American Airlines, Delta Air Lines, and United Airlines.
Gasoline Tax Rate: Estimates from the American Petroleum Institute (API) based on average price earlier this year.