

## IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

**\$ 25.1**  
MILLION

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

**252**  
MILLION



Airlines are **EXEMPT** from the \$0.10 per gallon jet fuel excise tax.

**COST: \$25.1 million**

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

Car drivers buying an average gallon of gasoline:

**\$0.42**

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

**\$0.01**

### SOURCES:

Excise Tax Break: <http://www.in.gov/dor/files/cd49.pdf>. Common carriers (commercial airlines) are exempt from the \$0.10 per gallon tax. IN rules current as of August 6, 2014.

Cost of Sales Tax Break and Number of gallons airlines get a tax break on: Estimates based on 2013 jet fuel prime supplier sales data from the Energy Information Administration and commercial airline fuel use data from the Bureau of Transportation Statistics.

Jet Fuel Tax Rate: Airlines pay the \$0.01 per gallon inspection fee. IC 16-44-2-18: Inspection fees; surety bonds; failure to pay tax; penalty and interest.

[https://iga.in.gov/static-documents/B/2/b/e/82be7d97/TITLE16\\_AR44\\_ar44.pdf](https://iga.in.gov/static-documents/B/2/b/e/82be7d97/TITLE16_AR44_ar44.pdf).

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