

IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$28.7
MILLION

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

261
MILLION

Airlines are **EXEMPT** from the sales tax after \$1 million each year.

COST: \$28.7 million

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

Car drivers buying an average gallon of gasoline:

\$0.33

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

\$0 - 0.18

SOURCES:

Sales Tax Break: <http://www.lrc.ky.gov/Statutes/statute.aspx?id=29276>. KY rules current as of August 14, 2014.

Cost of Sales Tax Break: http://www.osbd.ky.gov/NR/rdonlyres/8B8952FB-0453-4B5B-9947-B55BCCFFD719/0/2014_TaxExpenditure_Doc.pdf, Page 141: Jet Fuel

Number of gallons airlines get a tax break on: Estimate 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: Kentucky sales tax is 6%. [http://taxfoundation.org/sites/taxfoundation.org/files/docs/state-local-sales-taxes-2014-\(large\).png](http://taxfoundation.org/sites/taxfoundation.org/files/docs/state-local-sales-taxes-2014-(large).png)

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