

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



estimated cost of tax breaks:

\$ **4.2**  
MILLION

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

**60**  
MILLION

Airlines are **EXEMPT** from \$0.07 per gallon jet fuel excise tax.

**COST: \$4.2 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:

\$ **0.0007**

SOURCES:  
Excise Tax Break: <http://law.justia.com/codes/maryland/2005/gtg/9-303.html>. Jet fuel rate: [http://taxes.marylandtaxes.com/Business\\_Taxes/Business\\_Tax\\_Types/Motor\\_Fuel\\_Tax/Tax\\_Information/Motor\\_Fuel\\_Tax\\_Rates/MFT\\_RatesPerGallon\\_7-1-2014.pdf](http://taxes.marylandtaxes.com/Business_Taxes/Business_Tax_Types/Motor_Fuel_Tax/Tax_Information/Motor_Fuel_Tax_Rates/MFT_RatesPerGallon_7-1-2014.pdf). MD rules current as of July 1, 2014.  
Cost of Excise 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 (EIA) and commercial airline fuel use data from the Bureau of Transportation Statistics (BTS).  
Jet Fuel Tax Rate: Airlines pay the \$0.0007 per gallon oil transfer fee, <http://mgaleg.maryland.gov/webmga/frmStatutesText.aspx?pid=&tab=subject5&stab=&ys=2014RS&article=gen&section=4-411&ext=html&session=2014RS>  
Gasoline Tax Rate: Estimates from the American Petroleum Institute (API) based on average price earlier this year.