

IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$21.4
MILLION

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

100
MILLION

Airlines are **EXEMPT** from sales tax after \$1.5 million each year and from sales tax at federally funded airports.

COST: \$21.1 million

Airlines are **EXEMPT** from the \$0.0025 per gallon transport load fee.

COST: \$250,000

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

Car drivers buying an average gallon of gasoline:

\$0.17

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

\$0 - 0.23

SOURCES:

Sales Tax Break: <http://www.moga.mo.gov/statutes/C100-199/1440000805.HTM> and <http://www.moga.mo.gov/statutes/C100-199/1440000809.HTM>.

Transport Load Fee Tax Break: Transport load fee is \$20 per 8000 gallons (\$0.0025 per gallon), <http://pstif.org/about.shtml>. Airlines are exempt: <http://www.sos.mo.gov/adrules/csr/current/10csr/10c100-3.pdf>. MO rules current as of August 28, 2013.

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

Jet Fuel Tax Rate: Missouri combined state and average local sales tax is 7.58%. Airlines pay \$0.0005 per gallon inspection fee = \$0.2279 per gallon total.

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