

IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$10
MILLION

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

309
MILLION

Airlines are **EXEMPT** from sales tax after \$2.5 million each year.

COST: \$10 million

This tax break expires on January 1, 2016.

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

Car drivers buying an average gallon of gasoline:

\$0.37

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

\$.0025 - .2095

SOURCES:
Sales Tax Break and Cost of Sales Tax Break: http://www.dor.state.nc.us/publications/nc_tax_expenditure_report_13.pdf, Page 103. NC rules current as of March 23, 2014.
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: North Carolina combined state and average local sales tax is 6.9%. Inspection fee is \$0.0025 per gallon, total = \$0.2095. http://www.dornc.com/downloads/gas1288_inst.pdf
Gasoline Tax Rate: Estimates from the American Petroleum Institute (API) based on average price earlier this year.