

IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$42
MILLION

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

1.1
BILLION



Airlines are **ONLY** taxed on fuel used for taxi and takeoff. The rest of the tank is tax free.

COST: \$42 million

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



Car drivers buying an average gallon of gasoline:

\$0.15



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

\$0 (Airlines pay a set fuel tax rate per takeoff)

SOURCES:
Excise Tax Break: N.J.A.C. 18:18A-2.1: Petroleum Products Gross receipts is \$0.04 per gallon. N.J.A.C. 18:18A-6.3: Sets numbers of taxable gallons for taxi and takeoff for different aircraft types. NJ rules current as of June 19, 2014.
Cost of Excise Tax Break: Estimate based on analysis of average taxi and takeoff fuel use for aircraft types specified in N.J.A.C. 18:18A-6.3 for flights departing from Newark International Airport in a 24-hour period and airport flight data from the Bureau of Transportation Statistics (BTS).
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 BTS.
Gasoline Tax Rate: Estimates from the American Petroleum Institute based on average price earlier this year.