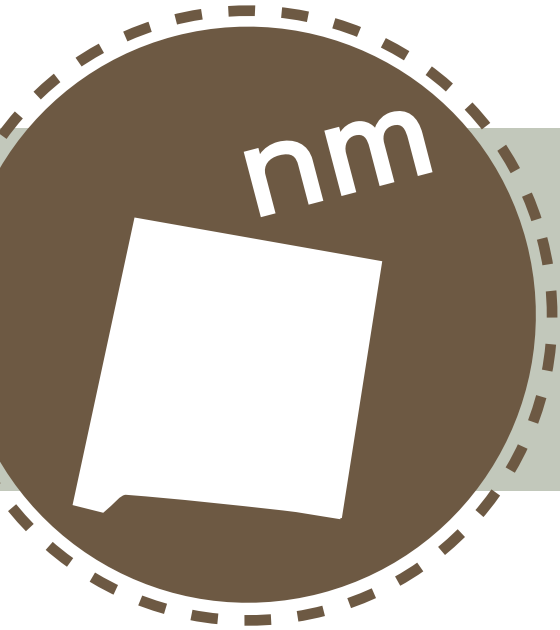


## IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$ **4.6**  
MILLION

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

**33**  
MILLION

There is a **55%** sales tax break on **ALL** jet fuel sales. This tax break changes to **40%** in 2017.

**COST: \$4.6 million**

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

Car drivers buying an average gallon of gasoline:

\$ **0.19**

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

\$ **0.12**

SOURCES:  
Sales Tax Break: <http://www.tax.newmexico.gov/uploads/files/Reports/2013%20Tax%20Expenditure%20Report%20TRD%202013-11-12%20final.pdf>. Page 33: Jet Fuel Deduction. NM rules current as of June 20, 2014.  
Cost of Sales Tax Break: <http://www.tax.newmexico.gov/uploads/files/Reports/2013%20Tax%20Expenditure%20Report%20TRD%202013-11-12%20final.pdf>. Page 34: For 2012: \$5.9 million. This tax break is for all jet fuel users, not just commercial airlines. To estimate the cost of the tax break to airlines, averages based on data from the Energy Information Administration (EIA) and the Bureau of Transportation Statistics (BTS) were used.  
Number of gallons airlines get a tax break on: Estimate based on 2013 jet fuel prime supplier sales data and jet fuel prices from the EIA and commercial airline fuel use data from the BTS.  
Jet Fuel Tax Rate: There is a 55% discount on the sales tax for jet fuel. The combined state and average local sales tax is 7.26%.  
Gasoline Tax Rate: Estimates from the American Petroleum Institute (API) based on average price earlier this year.