

IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$ 25.2 MILLION

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

538 MILLION

Airlines are **EXEMPT** from \$0.045 per gallon of the jet fuel excise tax after 100,000 gallons.

COST: \$24.2 million

Int'l flights are **EXEMPT** from the jet fuel per gallon excise tax.

COST: \$1 million

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:

\$.002-.052

SOURCES:

Excise and International Fuel Tax Break: Section E: <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+58.1-2217>. VA rules current as of August 12, 2014.

Cost of Excise Tax Break, Cost of International Fuel 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 and commercial airline fuel use data from the Bureau of Transportation Statistics.

Jet Fuel Tax Rate: Airlines are exempt from \$0.045 per gallon of the \$0.05 per gallon jet fuel excise tax after 100,000 gallons. There is also a \$0.002 per gallon underground storage tank fee.

UST Financial Responsibility Frequently Asked Questions (FAQs), <http://www.deq.virginia.gov/Programs/LandProtectionRevitalization/PetroleumProgram/GuidanceRegulations.aspx>.

International flights exempt from the jet fuel excise tax.

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