

IS JET FUEL BURNING A HOLE IN YOUR STATE BUDGET?



estimated cost of tax breaks:

\$10.6
MILLION

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

48
MILLION

Airlines are **EXEMPT** from sales tax.

COST: \$7.1 million

Airlines are **EXEMPT** from the \$0.06 per gallon jet fuel excise tax. **COST:** \$2.9 million

Airlines are **EXEMPT** from the \$0.02 per gallon petroleum inspection fee after 1 million gallons each month. **COST:** \$640,000

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

Car drivers buying an average gallon of gasoline:

\$0.33

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

\$0 - 0.02

SOURCES:

Sales Tax Break: [https://docs.legis.wisconsin.gov/statutes/statutes/77/11/54/5/a_77.54_\(5\)_a](https://docs.legis.wisconsin.gov/statutes/statutes/77/11/54/5/a_77.54_(5)_a), jet fuel exempt for airlines for interstate flights. WI rules current as of June 4, 2014.

Excise Tax Break: <https://docs.legis.wisconsin.gov/statutes/statutes/78/11/62>. 78.62 Airlines exempt from \$.06 per gallon tax.

Petroleum Inspection Fee Tax Break: <http://www.revenue.wi.gov/faqs/ise/pifee.html#pif10>. Airlines pay \$.02 per gallon petroleum inspection fee for the first 1 million gallons each month, or 12 million gallons annually.

Cost of Sales Tax Break, Excise Tax Break, Petroleum Inspection 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: Airlines pay \$0, except for the \$.02 per gallon petroleum inspection fee for the first 1 million gallons each month.

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