MOTOR VEHICLE FUEL TAX

TAX BASE

Gallons of gasoline, diesel fuel, and special fuels sold in Ohio.

RATE

Twenty-two cents per gallon.

MAJOR EXEMPTIONS

Refunds, credits, and deductions for the following:

Purchasers who did not use the fuel to operate a vehicle on a highway or waterway.

Distributors and retailers for fuel lost through shrinkage, evaporation, and leakage.

Local transit authorities for 21 of the 22 cents per gallon on fuel consumed in transit buses.

REVENUE (IN MILLIONS)

Fiscal Year	Total
1998	$1,328.4
1999	1,370.7
2000	1,404.9
2001	1,307.3

DISPOSITION OF REVENUE

The following items receive the revenue first:

1) Monthly $100,000 allocation to the grade crossing fund;
2) Monthly distribution to the Ohio Turnpike Commission equal to five cents on each gallon of fuel sold at stations operated by the commission.

After the above transfers, 0.875% of revenue is allocated to the waterways safety fund and 0.125% to wildlife boater-angler fund.

Of the remaining revenue, approximately 4.5% (the equivalent of one cent of the 22 cent tax rate) is allocated to the local transportation improvement program fund.

The balance is distributed, in general, as follows:

75.0%	to the State of Ohio;
10.7	to municipal corporations;
9.3	to counties;
5.0	to townships.

MOTOR VEHICLE FUEL TAX

SECTIONS OF OHIO REVISED CODE

Chapter 5735.

RESPONSIBILITY FOR ADMINISTRATION

Tax Commissioner.

REMITTER OF TAX

Dealers (wholesalers and refiners) who distribute fuel in Ohio.

PAYMENT DATES

By the last day of each month for the preceding month's tax liability; filed with the Treasurer of State (until January 1, 2003).

SPECIAL PROVISIONS / CREDITS

The total tax rate is derived by adding the fixed 7 cents per gallon tax rate to a variable "cents per gallon" tax rate of 15 cents. The variable rate uses a formula based on (1) the consumer price index, and (2) a consumption factor, which is a ratio of the amount of motor fuel consumption for the second previous fiscal year to consumption in the previous year. The July 1993 calculation was the last time this formula was recalculated. Use of the formula for future rate calculations would have to be authorized by the General Assembly.

HISTORY OF MAJOR CHANGES

Year	Change		Total Tax After Change
1925	2.0 cents	per gallon tax enacted	2.0 cents
1927	1.0 cent	per gallon increase	3.0 cents
1929	1.0 cent	per gallon increase	4.0 cents
1933	1.0 cent	per gallon reduction	3.0 cents
1947	1.0 cent	per gallon increase	4.0 cents
1953	1.0 cent	per gallon increase	5.0 cents
1959	2.0 cents	per gallon increase	7.0 cents
1981	3.3 cents	per gallon increase	10.3 cents
1982	1.4 cents	per gallon increase	11.7 cents
1983	0.3 cent	per gallon increase	12.0 cents
1987	2.7 cents	per gallon increase	14.7 cents
1988	0.1 cent	per gallon increase	14.8 cents
1989	3.2 cents	per gallon increase	18.0 cents
1990	2.0 cents	per gallon increase	20.0 cents
1991	1.0 cent	per gallon increase	21.0 cents
1993	1.0 cent	per gallon increase	22.0 cents

MOTOR VEHICLE FUEL TAX

COMPARISON WITH OTHER STATES (AS OF 1/02)
(includes state sales tax where applicable)

State	Tax Rate (cents per gallon) Gasoline[1]	Diesel Fuel[1]
California[2]	23.75	23.75
Florida[3]	19.90	32.40
Illinois[4]	25.55	27.25
Indiana[5]	20.00	21.00
Kentucky	16.40	13.40
Massachusetts	21.00	21.00
Michigan[6]	25.00	21.00
New Jersey[7]	14.50	17.50
New York[8]	26.60	24.85
Ohio	**22.00**	**22.00**
Pennsylvania[9]	26.60	31.80
Texas	20.00	20.00
West Virginia[10]	25.35	25.65

(1) *Data for the comparison of state motor vehicle fuel tax rates from the Federation of Tax Administrators, Commerce Clearing House, and each individual state. The sale of motor fuel is subject to the applicable sales and use taxes in the following states: California, Florida, Illinois, Indiana, Michigan, New York, and West Virginia. The rates shown for these states reflects the applicable state sales and use tax based on a price of $1 per gallon of fuel.*

(2) *The rate shown for California reflects the application of a sales and use tax of 5.75% based on a price of $1 per gallon.*

(3) *Gasoline fuel rate includes a 4.0 cents per gallon excise tax while diesel fuel reflects a 16.5 cents per gallon excise tax. Gasoline and diesel also subject to 9.9 cents per gallon additional tax. The rate shown for Florida reflects the application of a sales and use tax of 6% based on a price of $1 per gallon. Tax rates shown do not include the application of variable local tax levies.*

(4) *The rate shown for Illinois reflects the application of a sales and use tax of 6.25% based on a price of $1 per gallon. The following local motor fuel tax rates have not been included in the gasoline rate for this comparison: Chicago, 5 cents; Cook County, 6 cents; Kane County, 2 cents; McHenry County, 2 cents.*

(5) *The rate shown for Indiana reflects the application of a sales and use tax of 5% based on a price of $1 per gallon.*

(6) *The rate shown for Michigan reflects the application of a sales and use tax of 6% based on a price of $1 per gallon.*

(7) *Rate includes a 4.0 cents per gallon Petroleum Products Excise Tax levied on sales of gasoline and diesel fuel.*

(8) *Rate for gasoline and diesel fuel includes an 8.0 cents per gallon excise tax and the Petroleum Business Excise Tax (rates vary depending on fuel type; rate is indexed for inflation each year). The rate shown for New York also reflects the application of a sales and use tax of 4% based on a price of $1 per gallon.*

(9) *The gasoline and diesel fuel tax rates include a permanent 12.0 cents per gallon excise tax. An oil company franchise tax is included.*

(10) *The gasoline and diesel fuel tax rates include a 20.5 cents per gallon excise tax. The rate shown for West Virginia also reflects the application of a sales and use tax of 4.85 cents per gallon.*