



## Motor Vehicle Fuel Use Tax

### Taxpayer

Fuel use tax permit holders.

### Tax Base

Fuel used on Ohio highways by tractor-trailer combinations, trucks with three axles or more, and two-axle trucks pulling a trailer with a gross vehicle weight over 26,000 pounds.

Taxpayers must pay tax on the amount by which the fuel consumed in Ohio exceeds the fuel purchased in Ohio. In addition, a surtax is paid on all fuel consumed in Ohio.

### Rate

Effective July 1, 2004, the rate increased to 26 cents per gallon from 24 cents per gallon, and the surtax was reduced to two cents per gallon from three cents per gallon, making the total rate 28 cents per gallon. The surtax is scheduled to be eliminated effective July 1, 2005, and the base rate increased by two cents, maintaining the total rate at 28 cents per gallon (if certain changes are not made to the federal gasoline tax distribution formula).

### Major Exemptions

Vehicles owned and operated by the federal government, the State of Ohio, and its political subdivisions.

### Revenue (In Millions)

#### Fiscal

<u>Year</u>	<u>Total</u>
2000	\$66.9
2001	75.3
2002	69.4
2003	71.4
2004	72.3

### Disposition of Revenue

Highway bond retirement funds for as long as needed and then to the Highway Operating Fund.

### Payment Dates

Reports and payments are filed quarterly by January 31, April 30, July 31, and October 31 for the liability for the previous three months, or annually by July 31 for the liability for the previous 12 months.

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### Special Provisions/Credits

None.

### Sections of Ohio Revised Code

Chapter 5728.

### Responsibility for Administration

Tax Commissioner.

### History of Major Changes

- 1981 • Tax became effective July 1.
  
- 1991 • Three cents per gallon surtax became effective.
  
- 1995 • Ohio joined International Fuel Tax Agreement (IFTA).
  
- 2003 • Tax rate increased by two cents per gallon, from 22 to 24 cents, effective July 1.
  
- 2004 • Tax rate increased by two cents per gallon, from 24 to 26 cents, and the surtax reduced from three cents to two cents, effective July 1.(1)

**Note:** (1)The rate is scheduled to be increased by two cents to 28 cents and the surtax eliminated July 1, 2005, if certain changes are not made to the federal gasoline tax distribution formula.





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## Comparisons with Other States (As of 01/05)

State	Tax Rate (cents per gallon)		Sales Tax Applicable
	Gasoline	Diesel	
California(1)	—	29.50	Yes
Florida(2)	19.57	29.37	Yes
Illinois(3)	28.70	31.40	Yes
Indiana(4)	29.00	27.00	Yes
Kentucky(5)	18.40	18.70	No
Massachusetts	21.00	21.00	No
Michigan(6)	—	25.00	Yes
New Jersey	14.50	17.50	No
New York(7)	36.30	35.95	Yes
Pennsylvania	30.00	36.40	No
Texas	20.00	20.00	No
West Virginia(8)	27.00	27.00	Yes

**Source:** International Fuel Tax Administration (IFTA). All data current as of January 1, 2005.

**Notes:** (1)Gasoline is not applicable. The applicable sales tax rate on the sale of gasoline is 5.75%. (2)The applicable sales tax rate on the sale of gasoline is 6.0% percent. (3)The applicable sales tax rate on the sale of gasoline is 6.25%. (4)Rate shown includes a surcharge of 11 cents per gallon. The applicable sales tax rate on the sale of gasoline is 5.0%. (5)Rate shown includes a surcharge of 2.4 cents per gallon for gasoline and 5.7 cents per gallon for diesel. (6)Gasoline is not applicable. The applicable sales tax rate on the sale of gasoline is 6.0%. (7)The applicable sales tax rate on the sale of gasoline is 4.0%. (8)The applicable sales tax rate on the sale of gasoline is 5.0%.