



Motor Vehicle Fuel Tax

Taxpayer

The tax is paid by dealers (wholesalers and refiners) who distribute fuel in Ohio.

Tax Base

The tax applies to gallons of gasoline, diesel fuel, and special fuels sold in Ohio.

Rate

The total rate is 28 cents per gallon. This total rate includes one levy of eight cents per gallon, two levies of two cents each, one levy of one cent, and an additional levy of 15 cents per gallon.

Major Exemptions

Purchasers who did not use the fuel to operate a vehicle on a highway or waterway in Ohio may receive a refund of the tax paid. Also:

- Local transit authorities may receive a refund for all but one cent per gallon on fuel consumed in transit buses.
- School districts, joint vocational schools, and educational service centers may receive a refund on the tax over 22 cents per gallon.

Revenue (In Millions)

Fiscal Year	Total
2004	\$1,536.9
2005	1,667.3
2006	1,787.6
2007	1,715.1
2008	1,751.6

Disposition of Revenue

The following distributions are made first:

- Monthly \$100,000 allocation to the Grade Crossing Fund.
- Monthly \$1.6 million allocation to the State Highway Safety Fund.¹
- Monthly distribution to the Ohio Turnpike Commission equal to five cents on each gallon of fuel sold at stations operated by the commission.

¹ This is a temporary provision in effect for fiscal years 2008 and 2009.

After the above transfers, 0.875 percent of revenue is allocated to the Waterways Safety Fund, 0.125 percent to the Wildlife Boater-Angler Fund, and 0.275 percent to the Motor Fuel Tax Administrative Fund.

Of the revenue that remains, the equivalent of one cent of the 15 cents per gallon rate is allocated to the Local Transportation Improvement Program Fund.

Once these distributions have been made, the balance is distributed, in general, as follows:

- 70.2 percent to the state;
- 12.7 percent to municipal corporations;
- 11.1 percent to counties; and
- 6 percent to townships.

Payment Date

Payments are due by the last day of each month for the preceding month's tax liability.

Special Provisions/Credits

Shrinkage allowance:

Effective July 1, 2007:

- licensed distributors receive a 1 percent discount on total gallons of fuel received, minus 0.5 percent on gallons sold to retailers, for fuel lost through shrinkage and evaporation.
- Retailers receive a 0.5 percent discount on gallons of fuel purchased from licensed distributors for fuel lost through shrinkage and evaporation.

Administration discount:

House Bill 119, enacted in mid-2007, temporarily grants licensed distributors a 0.9 percent "administration" discount on total gallons received. The discount is scheduled to expire on June 30, 2009.

Sales tax:

Motor vehicle fuel is not subject to sales tax in Ohio.

Sections of Ohio Revised Code

Chapter 5735.

Responsibility for Administration

Tax Commissioner.

History of Major Changes

Year	Change	Total Tax After Change
1925	2.0 cents per gallon tax is 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 cents 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
2003	2.0 cents per gallon increase	24.0 cents
2004	2.0 cents per gallon increase	26.0 cents
2005	2.0 cents per gallon increase	28.0 cents

Comparisons with Other States (As of 02/09)

State	Tax Rate (cents per gallon)		Sales Tax Applicable
	Gasoline	Diesel Fuel	
California	18.00	18.00	Yes
Florida ¹	28.37	29.80	Yes
Illinois	20.10	22.60	Yes
Indiana	18.00	16.00	Yes
Kentucky ²	21.10	18.10	No
Massachusetts	21.00	21.00	No
Michigan	19.00	15.00	Yes
New Jersey ³	14.50	17.50	No
New York ⁴	24.40	22.65	Yes
Ohio	28.00	28.00	No
Pennsylvania	31.20	38.10	No
Texas	20.00	20.00	No
West Virginia ⁵	32.20	32.20	No

Note: Unless noted, the motor vehicle fuel tax rates shown in this table do not reflect the application of a state sales tax – where applicable – or local permissive motor vehicle fuel taxes.

Sources: Commerce Clearing House, International Fuel Tax Administration, and Federation of Tax Administrators. All rates are as of Feb. 1, 2009.

1 The total rate shown for Florida includes a state tax of 16.1 cents per gallon, a 2.07 cent-per-gallon pollution fee and the lowest local tax rate of 10.2 cents per gallon.

2 Kentucky's tax rate is based on the average wholesale price and is adjusted quarterly; the actual rate is 9 percent.

3 New Jersey's rate includes a 4 cents-per-gallon petroleum products gross receipts tax.

4 New York's rate for gasoline and diesel fuel includes an 8 cents per gallon petroleum business excise tax.

5 West Virginia's rate includes an 11.7 cents-per-gallon sales and use tax.