

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 do 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 in excess of 22 cents per gallon.

Revenue

(In Millions)

Fiscal Year	Total
2008	\$1,751.6
2009	1,726.7
2010	1,727.2
2011	1,757.2
2012	1,801.7

Disposition of Revenue

The following distributions are made first:

- Monthly \$100,000 allocation to the Grade Crossing Fund.

- Monthly allocation of the first 2 percent of revenue 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 along the turnpike on contract with the commission.

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.

The current allowance levels are temporary. They were originally scheduled to expire on June 30, 2011, but the General Assembly extended them for two more years, through June 30, 2013.

¹ This provision of House Bill 1 (2009) replaced a temporary monthly distribution of \$1.6 million in effect for fiscal years 2008 and 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 rate
1925	2 cents per gallon tax enacted	2 cents
1927	1 cent increase	3 cents
1929	1 cent increase	4 cents
1933	1 cent decrease	3 cents
1947	1 cent increase	4 cents
1953	1 cent increase	5 cents
1959	2 cent increase	7 cents
1981	3.3 cent increase	10.3 cents
1982	1.4 cent increase	11.7 cents
1983	0.3 cent increase	12 cents
1987	2.7 cent increase	14.7 cents
1988	0.1 cent increase	14.8 cents
1989	3.2 cent increase	18 cents
1990	2 cent increase	20 cents
1991	1 cent increase	21 cents
1993	1 cent increase	22 cents
2003	2 cent increase	24 cents
2004	2 cent increase	26 cents
2005	2 cent increase	28 cents

Comparisons with Other States

(As of September, 2012)

Unless noted, the motor vehicle fuel tax rates shown below do not reflect the application of a state sales tax or local permissive motor vehicle fuel taxes.

State	Tax Rates (per gallon)		Sales tax applicable?
	Gasoline	Diesel	
California	36 cents	10 cents	Yes
Florida	16.6	30.5	Yes
Illinois ¹	19	21.5	Yes
Indiana ²	18	16	Yes
Kentucky ³	29.9	26.9	No
Massachusetts	21	21	No
Michigan	19	15	Yes
New Jersey	14.5	17.5	No
New York ⁴	25.8	24.05	Yes
Ohio	28	28	No
Pennsylvania	31.2	38.1	No
Texas	20	20	No
West Virginia ⁵	33.4	33.4	No

Sources: Thompson Reuters/RIA, International Fuel Tax Administration and Federation of Tax Administrators.

1 Carriers pay an additional surcharge equal to 12.3 cents for gas and 13.5 cents for diesel.
 2 Carriers pay an additional surcharge equal to 11 cents per gallon.
 3 Kentucky's tax rates are based on the average wholesale price and are adjusted quarterly; the actual tax rate is 9 percent of the wholesale price.
 4 New York's rates for gasoline and diesel fuel include a per-gallon petroleum business excise tax.
 5 West Virginia's rate includes an 11.7 cents-per-gallon sales and use tax.