



Legislative Fiscal Bureau

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March 31, 2022

TO: Representative Mark Born
Room 308 East, State Capitol

FROM: Ryan Horton, Fiscal Analyst

SUBJECT: Estimate of Proposed Motor Fuel Tax Revenues

You asked for an estimate of: (a) what the motor vehicle tax rate would be as of April 1, 2022, if the Governor's 2019-21 biennial budget recommendations increasing the motor vehicle fuel tax by eight cents per gallon and restoring indexing became law; and (b) how much additional revenue would have been generated from the higher tax rate on fuel through April 1, 2022.

Had the Governor's 2019-21 biennial budget recommendations regarding increasing the motor vehicle fuel tax by eight cents per gallon and restoring annual indexing of the state's motor vehicle fuel tax rate been enacted, the state's motor vehicle fuel tax rate would have been adjusted to 38.9 cents per gallon on October 1, 2019, to 39.6 cents per gallon on April 1, 2020, to 40.1 cents per gallon on April 1, 2021, and to 42.0 cents per gallon on April 1, 2022.

Had the eight cents per gallon fuel tax increase and the restoration of annual fuel tax indexing been enacted, an estimated \$725 million in additional fuel tax revenue would have been generated from October 1, 2019 (what would have been start of the fuel tax increase and the subsequent indexing) through April 1, 2022.

RH/bh