

FEDERAL HIGHWAY-USER FEES, 2005 1/

SEPTEMBER 2006

TABLE FE-21B

USER FEE	TAX RATE	DISTRIBUTION OF TAX				
		EFFECTIVE DATE	HIGHWAY TRUST FUND		LEAKING UNDER-GROUND STORAGE TANK TRUST FUND	GENERAL FUND
			HIGHWAY ACCOUNT	MASS TRANSIT ACCOUNT		
Fuel Taxes (Cents per Gallon)						
Gasoline	18.3	01/01/96	12	2	-	4.3
	18.4	10/01/97	15.44	2.86	0.1	-
Gasohol 2/	18.4	01/01/05	15.44	2.86	0.1	-
Diesel and Kerosene fuel	24.3	01/01/96	18	2	-	4.3
	24.4	10/01/97	21.44	2.86	0.1	-
Special fuels 3/ 4/	18.3	01/01/96	12	2	-	4.3
Liquefied Petroleum Gas	13.6	10/01/97	11.47	2.13	-	-
Liquefied Natural Gas	11.9	10/01/97	10.04	1.86	-	-
Other Special Fuels	18.4	10/01/97	15.44	2.86	0.1	-
Neat alcohol (85% alcohol) 4/ 5/	9.25	10/01/97	7.72	1.43	0.1	-
Compressed natural gas 6/	4.3	10/01/93	-	-	-	4.3
	4.3	10/01/97	3.44	0.86	-	-
Other Taxes - All Proceeds to Highway Account						
Tires	Tax is imposed on tires sold by manufacturers, producers, or importers at the rate of \$.0945 (\$.04725 in the case of a bias ply or super single tire) for each 10 pounds of the maximum rated load capacity over 3,500 pounds.					
Truck and trailer sales 7/	12 percent of retailer's sales price for tractors and trucks over 33,000 pounds gross vehicle weight (GVW) and trailers over 26,000 pounds GVW. The tax applies to parts and accessories sold in connection with the vehicle sale.					
Heavy vehicle use	Annual tax: Trucks 55,000-75,000 pounds GVW, \$100 plus \$22 for each 1,000 pounds (or fraction thereof) in excess of 55,000 pounds Trucks over 75,000 pounds GVW, \$550					
<p>1/ Source: Office of Highway Policy Information, Federal Highway Administration.</p> <p>2/ Section 301 of the Jobs Creation Act of 2004 eliminated the gasohol blend taxes effective January 1, 2005. Prior to the Act, three blends of gasohol paid different tax rates. These blends are now defined as gasoline and pay the gasoline tax rate. An alcohol fuel tax credit has been developed to encourage gasohol production, but cost of the credit is not lost revenue to the Highway Trust Fund.</p> <p>3/ Special fuels include benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, or other liquid used fuel in a motor vehicle except diesel, kerosene, gas oil, fuel oil, or a product taxable under the gasoline tax provisions. Prior to October 1, 1997, most special fuels were taxed at a single rate. Exceptions were LPG, which was not subject to the LUST tax, and neat alcohols, which are taxed at various rates depending on type and source of alcohol. Beginning October 1, 1997, LPG and LNG are taxed based on their energy content relative to gasoline. Other special fuels, with the exception of neat alcohols, are taxed at the basic special fuels rate.</p> <p>4/ Neat alcohol made with alcohol derived from petroleum products (M85) is taxed as a special fuel.</p> <p>5/ Only small amounts of revenue are collected by Internal Revenue Service for taxes on neat alcohol and some other miscellaneous sources. There is no accurate way to distribute miscellaneous taxes to specific funds or accounts.</p> <p>6/ Compressed natural gas is taxed 48.54 cents per thousand cubic feet (MCF), with the Mass Transit Account receiving 9.7 cents per MCF and the Highway Account receiving 38.83 cents per MCF. Roughly converting these amounts to cents per gallon results in the entries in the table above.</p> <p>7/ Section 1401 of the Taxpayer Relief Act of 1997 replaced a mechanism by which the fair market value of tires exceeding 40 pounds was deducted from the fair market value of a truck and replaced it with a credit for the excise tax paid. This provision was effective January 1, 1998.</p>						