

How Long Has It Been Since Your State Raised Its Gas Tax?

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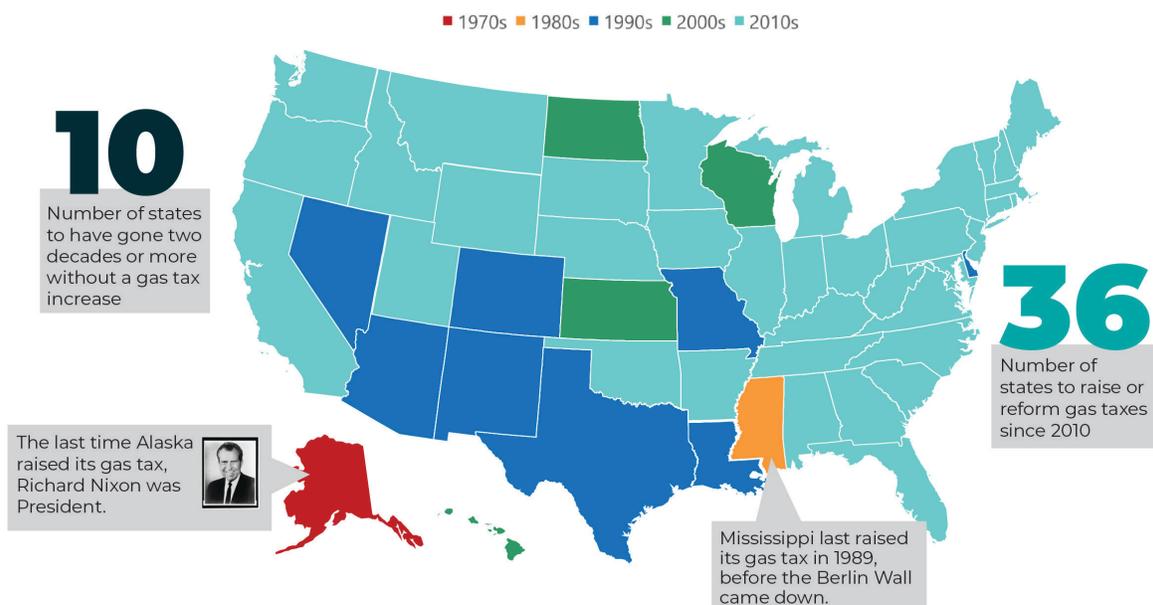
Many state governments are struggling to repair and expand their transportation infrastructure because they are attempting to cover the rising cost of asphalt, machinery, and other construction materials with fixed-rate gasoline taxes that are rarely increased.

The chart accompanying this brief shows (as of March 1, 2020) the number of years that have elapsed since each state last increased its gas tax.¹ Among the findings of this analysis:

- Fifteen states have waited a decade or more since last increasing their gas tax rates.
- Ten states have gone two decades or more without a gas tax increase.
- Three states have waited more than 30 years since last raising their gas tax rates: Alaska last boosted its gas tax in 1970, Mississippi did so in 1989, and Louisiana followed shortly thereafter in 1990.
- Gas taxes cannot adequately fund infrastructure projects unless they are adjusted to prevent revenue erosion in the face of rising construction costs and improvements in vehicle fuel-efficiency. State gas tax rates that have not been updated in many years, or even decades, have seen significant declines in their purchasing power. Those declines are negatively affecting funding of economically vital infrastructure projects.
- Fortunately, many states recently have made significant progress in updating their gas tax rates. Thirty-six states have raised their gas taxes since 2010 either through legislative action or automatic formulas that regularly adjust the gas tax rate.² This group includes states that had allowed their gas taxes to stagnate for decades such as Alabama, Illinois, Iowa, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, Oklahoma, South Carolina, and Tennessee.

FIGURE 1

When Did Your State Last Raise Its Gas Tax Rate?

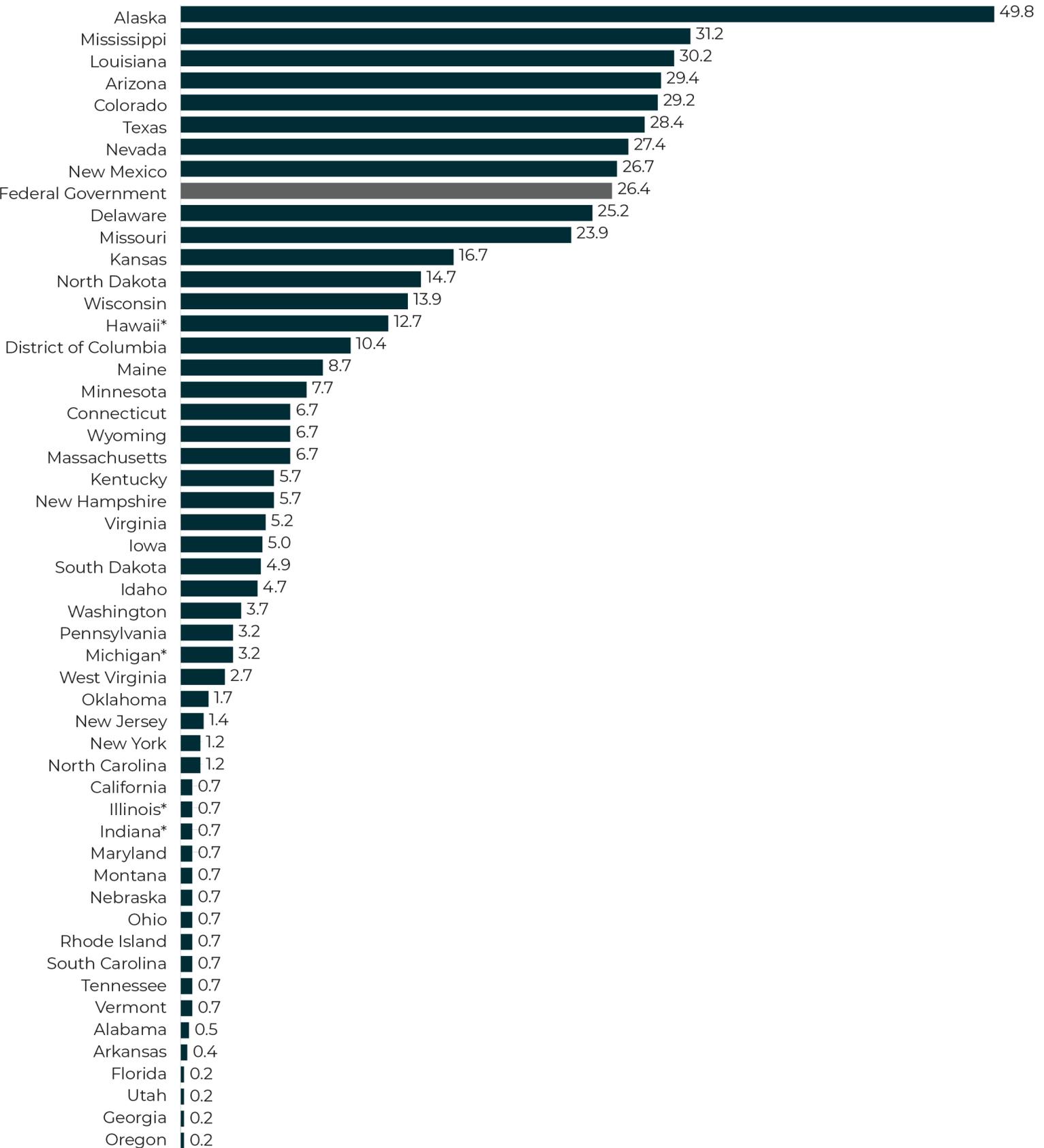


Map shows gas tax increases in effect as of March 1, 2020. Hawaii, Illinois, Indiana, and Michigan apply their general sales taxes to gasoline and thus see ongoing changes in their overall gas tax rates based on changes in the price of gas. This chart excludes these price-based fluctuations in the sales tax and instead looks only at these states' excise taxes on gasoline.

Source: Institute on Taxation and Economic Policy

Years Since Last Gasoline Tax Increase

As of March 1, 2020



*Hawaii, Illinois, Indiana, and Michigan apply their general sales taxes to gasoline and thus see ongoing changes in their overall gas tax rates based on changes in the price of gas. This chart excludes these price-based fluctuations in the sales tax and instead looks only at these states' excise taxes on gasoline.

Source: Institute on Taxation and Economic Policy



ENDNOTES

1. These figures are based on the date that each gasoline tax increase took effect, rather than the date on which it was signed into law.
2. Recent legislative action is summarized in: Davis, Carl. "Most States Have Raised Gas Taxes in Recent Years." Just Taxes Blog. June 27, 2019. <https://itep.org/most-states-have-raised-gas-taxes-in-recent-years-0419/>. Automatic, variable-rate formulas are described in: Davis, Carl. "Most Americans Live in States with Variable-Rate Gas Taxes." ITEP. June 27, 2019. <https://itep.org/most-americans-live-in-states-with-variable-rate-gas-taxes-0419/>.