



TAXED OUT: AMERICANS PAY \$78 BILLION IN GASOLINE TAXES IN 2023 - GASBUDDY

Posted on April 19, 2023 by Patrick De Haan, Head of Petroleum Analysis for

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Taxes on gasoline amount to \$215 million every day, one penny rise costs \$1.38 Billion/Year

While Americans race to file their taxes ahead of today's deadline, Tax Day is every day for U.S. drivers. Gas prices have been rising over the past several weeks as Americans get back on the road and gear up for summer road trips - but there are some hidden costs buried in what Americans pay for gasoline that are driving up prices even more for many motorists around the country.

Every day, Americans spend \$215 million on federal, state and local taxes on gasoline, with some states having lower taxes, and some having higher taxes. Some states also benefit from higher gasoline prices, with percentage-based sales taxes applied, helping the state to capture additional revenue when motorists are already getting hit with higher gas prices.

"While most Americans blame oil companies or gas stations for the high price of gasoline, few remember or are reminded by the portion Uncle Sam takes at the gas pump: 18.4 cents on every gallon, but most states take even more than that, and most never disclose at the pump how much tax is charged per gallon, making motorists target gas stations or oil companies instead of disclosing they are charging an average of 38.7 cents on every gallon," said Patrick De Haan, head of petroleum analysis at GasBuddy. "Some states pinch motorists even more by having a percentage-based sales tax on gasoline, so that when gas prices rise, their coffers are filled at a faster pace. When gas prices hit a record last year, states saw money rolling in around the clock, more than ever before in some states."

States with the highest and lowest state gasoline taxes:

California, 86.55c/gal	Alaska, 33.5c/gal
Illinois, 78.0c/gal	Mississippi, 37.2c/gal
Pennsylvania, 77.1c/gal	New Mexico, 37.3c/gal
Hawaii, 70.1c/gal	Arizona, 37.4c/gal
New Jersey, 69.1c/gal	Missouri, 38.3c/gal

Motorists spend some \$483 million on Federal gasoline taxes every week, or \$25 billion every year, while state taxes amount to \$145 million per day, totaling \$53 billion per year. Raising gasoline taxes at the state and federal level by just a penny would raise consumer's

tax bill by \$2.75 billion per year. To save money at the pump, GasBuddy recommends drivers always shop around for the best prices in their area. While traveling this summer, drivers should watch out for state lines, where gas prices can significantly increase or decrease over a short distance.