

# Transportation Issues

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## How do Wisconsin's gasoline taxes and vehicle registration fees compare to other states?

### Gasoline taxes and fees

Forty-nine states and the District of Columbia assess excise taxes on gasoline. Pennsylvania eliminated a fixed per gallon fuel tax in 2013 and increased a variable rate oil company franchise tax. In addition, some states collect sales taxes on the purchase of gasoline. Other states collect business or franchise taxes and fees, and some states allow the collection of local taxes and fees on gasoline and/or the purchase of gasoline.

- Wisconsin does not levy state sales or business tax, or local taxes on gasoline.
- Fourteen states have mechanisms in place that automatically adjust the tax rate levied on gasoline.

Wisconsin's current state *excise tax rate* dedicated to transportation purposes is 30.9 cents per gallon. When the state's petroleum clean-up program fee is added, total state taxes and fees collected at the pump is 32.9 cents per gallon – 11<sup>th</sup> highest in the nation.

- Wisconsin ranks 15<sup>th</sup> nationally, when comparing states *including all local and state taxes and fees* on gasoline based on the rate charged in each state's largest city.
  - California, Connecticut, Hawaii, Idaho, Illinois, Maryland, Nevada, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Washington State, and West Virginia all assess *higher* overall taxes on gasoline than Wisconsin.

### Passenger vehicle registration and registration-related fees and taxes

States typically charge vehicle registration fees as a flat fee, or based upon the vehicle's weight, age, horsepower, fuel type or value.

- Wisconsin and 26 other states assess the cost of registration as a flat fee.
- Some states levy additional registration-related fees or taxes.
- In many states, local units of government are authorized to assess taxes and fees on passenger vehicles
  - Eleven Wisconsin communities (Appleton, Arena, Beloit, Fort Atkinson, Gillett, Janesville, Kaukauna, Lodi, Milwaukee, Prairie du Sac, and Tigerton) and three counties (Chippewa, Iowa and St. Croix) currently levy a local registration-related (wheel) tax on passenger vehicles.

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## Wisconsin has lower vehicle registration fees than many states

Wisconsin's \$75 passenger vehicle state registration fee ranks 12<sup>th</sup> highest in the nation for a late model sedan.

Vehicle registration fees are compared for a late-model vehicle, first renewal.

Wisconsin ranks 24<sup>th</sup> highest when comparing the state registration fee, plus additional state fees based on vehicle value, weight, age, and other miscellaneous state fees collected at registration.

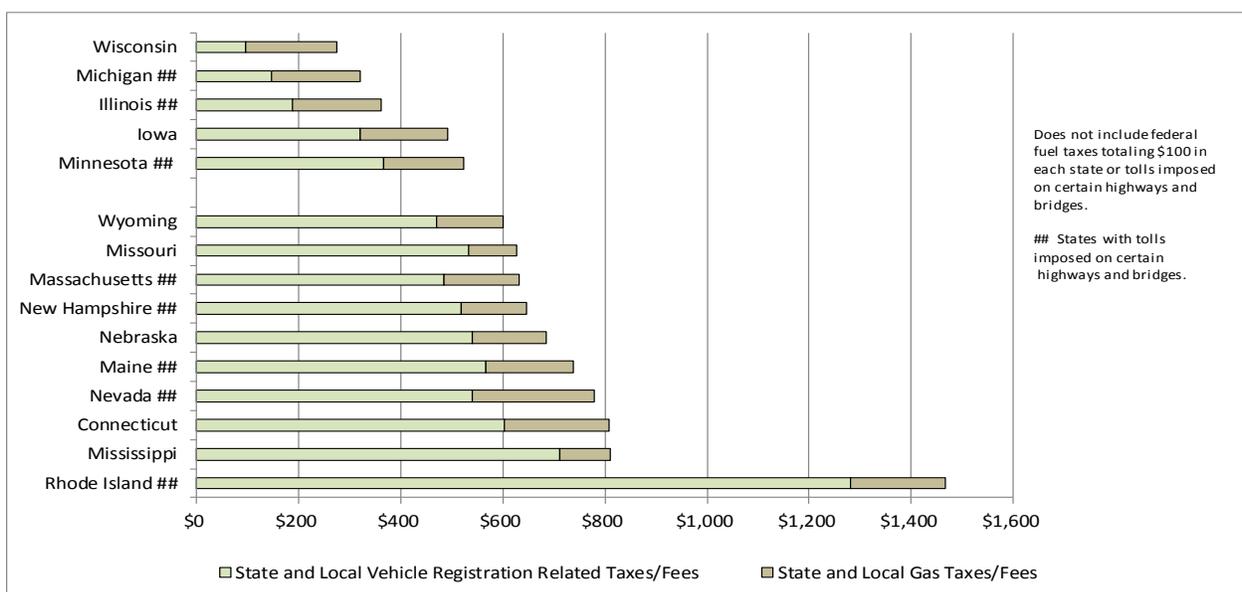
- Wisconsin's ranks 36<sup>th</sup> nationally when states are compared on *all registration charges levied* for both state and local registration-related costs (based on the rate charged in the state's largest city).

## Wisconsin ranks low in overall transportation related vehicle costs

When the full range of annual taxes and fees on gasoline, and passenger vehicle registration and registration-related fees and taxes is considered, costs in Wisconsin are lower than 35 other states.

- These costs include annual state and local vehicle-related taxes and fees, and state and local taxes on gasoline.
- Wisconsin's annual cost of \$274 is less than half of the amount charged in the top ten states.

**Annual Vehicle/Gasoline Taxes and Fees State Comparison**

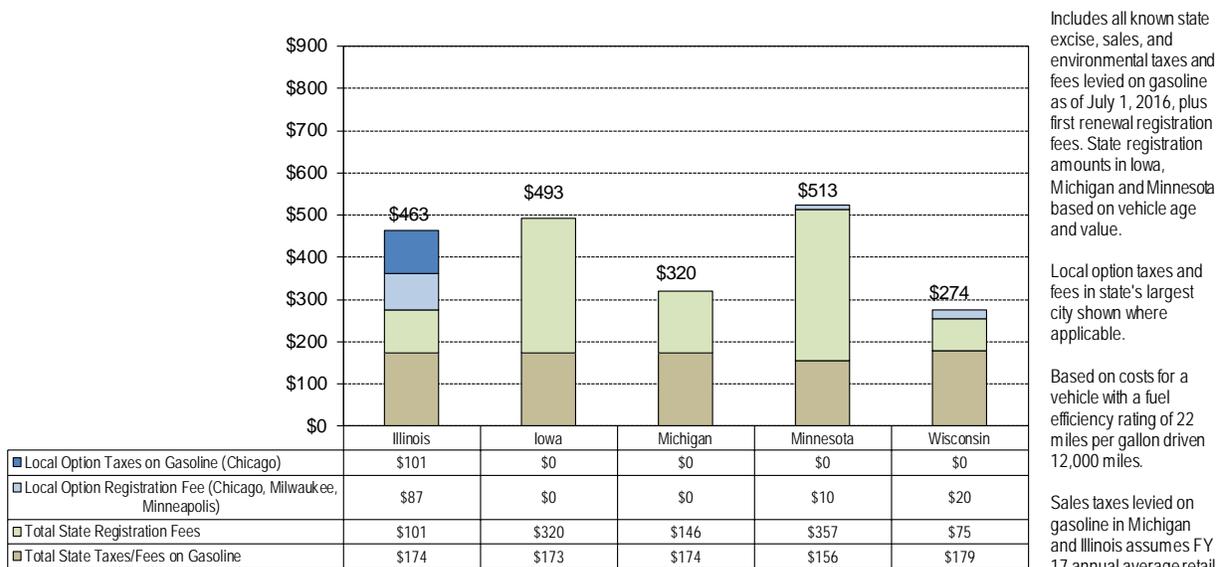


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Wisconsin ranks lowest among neighboring states when the combination of annual state and local gasoline taxes and fees, and state and local vehicle registration-related fees are compared.

Vehicle registration fees are compared for a late-model vehicle, first renewal.

## Estimated Annual Fees and Taxes -- Midwest State Comparison (1-year old mid-size 4D sedan, automatic, 6 cyl, w/FWD)



Includes all known state excise, sales, and environmental taxes and fees levied on gasoline as of July 1, 2016, plus first renewal registration fees. State registration amounts in Iowa, Michigan and Minnesota based on vehicle age and value.

Local option taxes and fees in state's largest city shown where applicable.

Based on costs for a vehicle with a fuel efficiency rating of 22 miles per gallon driven 12,000 miles.

Sales taxes levied on gasoline in Michigan and Illinois assumes FY 17 annual average retail price of \$2.19 per gallon.

Does not include federal fuel taxes (totaling \$100 in each state) or tolls imposed on certain highways and bridges.

Amounts are rounded.

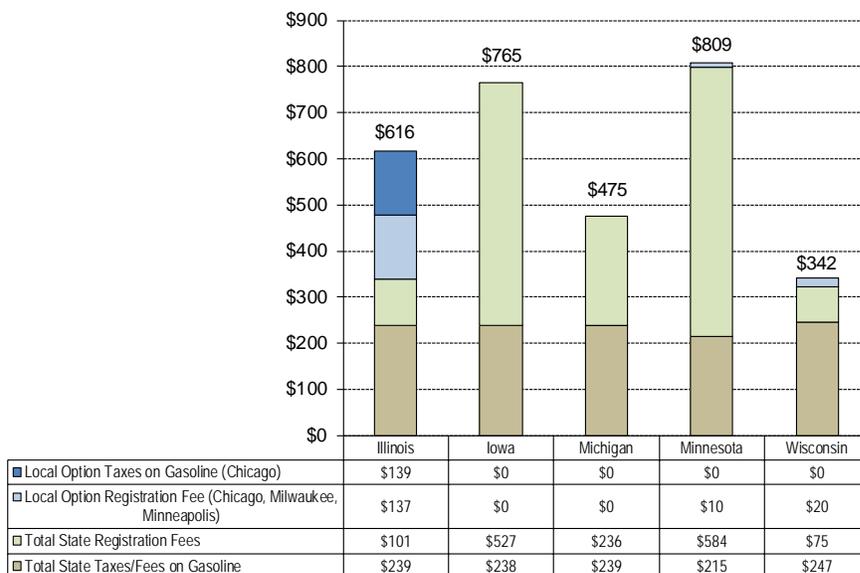
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The gap between costs in Wisconsin and its neighboring states increases as vehicle value rise and fuel efficiency decreases.

Vehicle registration fees are compared for a late-model vehicle, first renewal.

## Estimated Annual Fees and Taxes – Midwest State Comparison

(1-year old 4D SUV, automatic, 8 cyl, w/4WD)



Includes all known state excise, sales, and environmental taxes and fees levied on gasoline as of July 1, 2016, plus first renewal registration fee. State registration amounts in Iowa, Michigan and Minnesota based on vehicle age and value.

Local option taxes and fees in state's largest city shown where applicable.

Based on costs for a vehicle with a fuel efficiency rating of 16 miles per gallon driven 12,000 miles.

Sales taxes levied on gasoline in Michigan and Illinois assumes FY 17 annual average retail price of \$2.19 per gallon.

Does not include federal fuel taxes (totaling \$138 in each state) or tolls imposed on certain highways and bridges.

Amounts are rounded.