



# Federal Highway User Fees

- Congress has created a variety of highway-related taxes and fees on motor vehicles, motor fuels and related products.
- Most federal revenue raised from highway use is dedicated to the Highway Trust Fund for highway and transit programs.
- In most cases, farm use and other non-highway uses are exempt from federal highway taxes and fees.

### Federal highway fees and taxes include:

- motor fuels taxes;
- heavy truck and trailer sales tax;
- tire tax; and
- annual heavy truck use tax.

### Federal tax history

- 1917: a tax of three percent of the manufacturer's sales price for autos, motorcycles, buses and trucks is levied.
- The federal vehicle sales tax is increased and repealed over the years. Only the retail sales tax on heavy trucks and trailers remains.
- 1932: a federal gasoline tax of one cent is established.
- Federal taxes on diesel and other fuels used in vehicles registered for highway use are introduced over time.

The table below shows federal taxes in effect at the time of printing. Until Jan. 1, 2006, gasohol was taxed at different rates depending upon the percentage content of ethanol or methanol. Effective Oct. 1, 2006, new tax rates will be applied to certain special fuels and compressed natural gas.

Fuel Type	Total Tax per Gallon	Highway Account	Mass Transit Account	Leaking	
				Storage Tank Trust Fund	General Fund
Gasoline	18.40¢	15.44¢	2.86¢	0.10¢	-
Diesel Fuel	24.40¢	21.44¢	2.86¢	0.10¢	-
Gasohol	18.40¢	15.44¢	2.86¢	0.10¢	-
<b>Special Fuels</b>					
Liquefied Petroleum Gas	13.60¢	11.47¢	2.13¢	-	-
Liquefied Natural Gas	11.90¢	10.04¢	1.86¢	-	-
Other Special Fuels*	18.40¢	15.44¢	2.86¢	0.10¢	-
Compressed Natural Gas	4.30¢	3.44¢	.86¢	-	-
<b>Special Fuels (10/01/2006)</b>					
Liquefied Petroleum Gas	18.30¢	15.44¢	2.86¢	-	-
Liquefied Natural Gas	24.30¢	21.44¢	2.86¢	-	-
Other Special Fuels*	18.40¢	15.44¢	2.86¢	0.10¢	-
Compressed Natural Gas	18.30¢	15.44¢	2.86¢	-	-

\*Other special fuels include benzol, benzene, naphtha, liquefied petroleum gas (propane, butane, casing head and natural gas) or any liquid used as fuel in a motor vehicle except gasoline, diesel, kerosene, gas oil, fuel oil or other products taxable under the gas tax provisions.