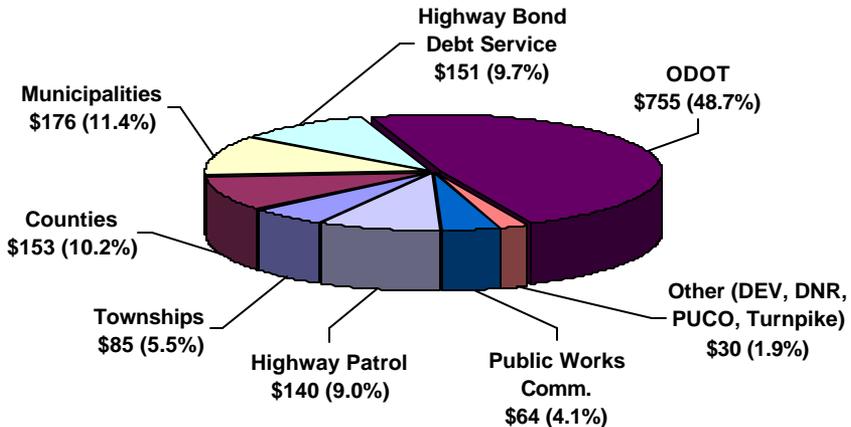


## Motor Fuel Tax in Ohio

### FY 2004 State Motor Fuel Tax Revenues Distribution

Dollar amounts in millions



- In FY 2004, the state collected approximately \$1.6 billion in motor fuel tax revenue. After deducting \$52 million for refunds and transfers, roughly \$1.55 billion was distributed to the state and local governments.
- Am. Sub. H.B. 87, the FY 2004-2005 transportation appropriations act, increased the former 22¢ per gallon motor fuel tax rate by 2¢ per gallon each year over three years, resulting in a total tax rate of 24¢ per gallon in FY 2004; 26¢ per gallon in FY 2005; and a conditional 28¢ per gallon in FY 2006, depending on changes in the distribution of the federal motor fuel tax.
- As part of a plan to provide more revenue to local governments, Am. Sub. H.B. 87 began to phase out the Highway Patrol's use of motor fuel tax revenue and offset the revenue reduction through increased motor vehicle fees. Starting in FY 2004 and continuing to FY 2008, the Patrol's former motor fuel tax allocation of approximately \$186 million will be reduced each fiscal year by 25%, 50%, 70%, 80%, and 100%.
- Before FY 2004, the last motor fuel tax rate increase occurred in FY 1993, when it was increased 1¢ from 21¢ per gallon to 22¢ per gallon.
- At 24¢ per gallon, Ohio's motor fuel tax rate ranks 13th in the nation. This comparison includes each state's motor fuel excise tax rate plus similar additional sales taxes or fees.
- Motor fuel in Ohio is also taxed by the federal government, at 18.4¢ per gallon. Coupled with the FY 2005 state tax rate of 26¢ per gallon, motor fuel purchased by motorists in Ohio includes total taxes of 44.4¢ per gallon.

## Motor Vehicle License Taxes Raised \$459 Million for Local Roads in 2003

### 2003 Motor Vehicle License Taxes (in millions)

Local Government Unit	State Motor Vehicle License Tax	Permissive Local Motor Vehicle License Tax	Total
Counties	\$235.4	\$89.8	\$325.2
Municipalities	\$63.3	\$43.4	\$106.7
Townships	\$15.7	\$11.6	\$27.3
<b>Total</b>	<b>\$314.4</b>	<b>\$144.8</b>	<b>\$459.2</b>

- In Ohio there were approximately 12.1 million vehicles registered in 2003. This total is composed of 8,429,300 passenger cars, 1,705,400 noncommercial trucks, 911,700 commercial vehicles, 557,900 noncommercial trailers, 300,300 motorcycles, 113,800 house vehicles, 59,700 motor homes, and 5,300 mopeds.
- For calendar year 2003, the state tax was \$20 per passenger car but varied for other vehicle classifications. Effective October 1, 2003, the state tax was increased by \$11 for all vehicle registration types. Before distribution to local governments, money is first used for bond obligations (42.6% of collected revenues) and administrative expenses (5% of collected revenues, using a five-year average).
- The maximum local permissive tax is \$20, based on \$5 levies. County levies have precedence over municipal levies. Not all local governments have enacted levies. Of those that have, most have not enacted the full amount authorized. For example, of the 88 Ohio counties, 25 have enacted one county levy (for a total of \$5), 13 have enacted two county levies (for a total of \$10), and 21 have enacted three county levies (for a total of \$15). Authorized maximum amounts by governmental unit are as follows:

Counties.....\$15

Municipalities .....\$5 – \$20 (depending on county levies)

Townships.....\$5