

Summary of Surrounding State Road Fund Changes

In recent years, some of Iowa's neighbors have made changes to their fuel tax rates and/or other road funding mechanisms. Following is a summary of those changes.

Wisconsin

The Wisconsin state gasoline tax is currently set at 30.9 cents per gallon. The tax rate has been in effect since April 1, 2006 when the annual indexing of the state's gas tax was last implemented after being repealed in December 2005.

Source: Wisconsin Department of Revenue

<http://www.revenue.wi.gov/faqs/ise/mofuel.html#mof2>

Illinois

The current motor fuel tax rate for gasoline/gasohol is 19 cents per gallon. There have been no changes in this rate since January 1, 1990. Illinois does levy state sales taxes against motor fuel. Illinois charges sales tax rates of 6.25 and 5.0 percent (minimum, could be higher with local sales taxes as well) to gasoline and gasohol, respectively. The funds generated by this sales tax are not, however, dedicated to transportation. Many Illinois lawmakers have introduced legislation to reduce sales tax on gasoline however it is difficult to determine how likely it is that any of this legislation would be passed.

Source: Illinois Department of Revenue

<http://tax.illinois.gov/Publications/Sales/SalesTaxRates/FixedRatesMotorFuel.htm>

<http://illinoisreview.typepad.com/illinoisreview/2011/05/dillard-tries-to-help-illinois-drivers-by-introducing-gasoline-sales-tax-break.html>

Missouri

The current fuel tax rate is 17 cents per gallon for gasoline, diesel, kerosene, and blended fuel. These rates have been in effect since 1996. A gas tax rebate or 'holiday' was debated in the Missouri legislature in 2008 but never passed.

Source:

<http://dor.mo.gov/business/fuel/>

http://www.publicbroadcasting.net/kwmu/news.newsmain?action=article&ARTICLE_ID=1269250

Nebraska

Motor fuel tax rates in the state of Nebraska are subject to change semiannually. The current rate, which is in effect from 1/1/2011 to 6/30/2011 is 26.4 cents per gallon for gasoline, gasohol, diesel, ethanol, and compressed fuels. The table below shows Nebraska state motor fuel rates since January 1, 2008.

From	To	Tax rate
01/01/2008	06/30/2008	\$0.230
07/01/2008	12/31/2008	0.260
01/01/2009	06/30/2009	0.264
07/01/2009	12/31/2009	0.264
01/01/2010	06/30/2010	0.268
07/01/2010	12/31/2010	0.271
01/01/2011	06/30/2011	0.264

In May 2011 a new law was passed and signed into law which earmarks 0.25 cents of the 5.5 cent sales tax each year to road projects. The new law is forecast to generate approximately \$70 million annually upon being implemented in 2013 and has a sunset period of 20 years.

Source:

<http://www.revenue.ne.gov/fuels/ratehist.html>

<http://www.omaha.com/article/20110517/NEWS01/110519644/0#gov-ok-s-sales-tax-for-roads>

South Dakota

The current per gallon state motor fuel excise tax in South Dakota is 22 cents per gallon for gasoline. This rate has been in effect since April 1, 1999.

Source:

http://www.sddot.com/geninfo_fuel.asp

Minnesota

Legislation passed during the 2008 legislative session increased the tax rates on April 1, 2008 and October 1, 2008. In addition to the gas tax increase an additional surcharge was added to the price of gasoline. The surcharge is updated annually effective the first day of July. Per gallon gasoline tax rates are shown in the table below.

From	To	Tax rate
04/01/2008	07/31/2008	\$0.220
08/01/2008	09/30/2008	0.225
10/01/2008	06/30/2009	0.255
07/01/2009	06/30/2010	0.271
07/01/2010	06/30/2011	0.275
07/01/2011	06/30/2012	0.280

Minnesota DOT will begin the Minnesota Road Fee Test in July 2011. The test will study using mileage based user fees to fund transportation improvements. The study is expected to be completed by December 2012.

Source:

http://taxes.state.mn.us/petroleum/pages/tax_information_fuel_rates.aspx

<http://www.commuter-connection.org/news/2011/04/mndot-to-test-technology-used-for-potential-mileage-based-user-fee/>