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Gasoline Excise Tax — Historical Revenues: Fact Sheet

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Summary

The federal government first imposed a gasoline excise tax with the passage of the Revenue Act of 1932. The rate was one cent per gallon. During the early years of the tax, the proceeds went into the general fund of the Treasury. It was not until 1956, when Congress established the Highway Trust Fund, that revenue receipts from the gasoline tax were dedicated to a trust fund for highway programs. The conventional wisdom was that the gas tax represented a user tax. Subsequently, in response to large federal budget deficits, Congress returned a portion of the gasoline excise tax to general revenues (from December 1990 until October 1997). After that period, the general fund portion of the tax was redirected to the Highway Trust Fund.

The highway-related excise taxes (including the tax on gasoline) were extended through September 30, 2005, under the tax title of the Transportation Equity Act of the 21st Century, known as TEA21. The highway and transit funding programs of TEA21 expired at the conclusion of FY2003. A fifth funding extension was signed by President Bush on September 30, 2004, which provides funding through May 31, 2005. That legislation also transfers the gasohol taxes to the Highway Trust Fund for FY2004 and authorizes the expenditure of remaining contract authority for FY2004.

The gasoline tax rate stands at 18.4 cents per gallon. This rate has provided a reliable and steady source of receipts. Since FY1997, gasoline taxes have generated over \$20 billion per year for the Highway Trust Fund with the vast majority of receipts disbursed through the Highway and Mass Transit Accounts. The authors plan to update this fact sheet to reflect legislative changes and collection figures.

Table 1. Gasoline Excise Tax Collections
(Collection Receipts in thousands of dollars, Tax rate in cents per gallon)

Fiscal Year	Collections	Tax Rate	Fiscal Year	Collections	Tax Rate
1933	124,929	1.0	1968	3,030,792	4.0
1934	202,575	1.0	1969	3,283,715	4.0
1935	161,532	1.0	1970	3,430,076	4.0
1936	177,340	1.0	1971	3,547,678	4.0
1937	196,533	1.0	1972	3,741,160	4.0
1938	203,648	1.0	1973	3,927,535	4.0
1939	207,019	1.0	1974	4,087,669	4.0
1940	226,187	1.0	1975	3,980,412	4.0
1941	343,021	1.5	1976	4,180,860	4.0
1942	369,587	1.5	1977	4,322,077	4.0
1943	288,786	1.5	1978	4,444,484	4.0
1944	271,217	1.5	1979	4,525,065	4.0
1945	405,563	1.5	1980	4,218,147	4.0
1946	405,695	1.5	1981	4,007,956	4.0
1947	433,676	1.5	1982	4,214,373	4.0
1948	478,638	1.5	1983	4,904,580	4.0
1949	503,647	1.5	1984	9,021,518	9.0
1950	526,732	1.5	1985	9,062,387	9.0
1951	569,048	1.5	1986	8,854,674	9.0
1952	713,174	2.0	1987	8,925,028	9.0
1953	890,675	2.0	1988	9,167,139	9.1
1954	835,610	2.0	1989	9,725,089	9.1
1955	953,201	2.0	1990	9,465,647	9.1
1956	1,030,397	2.0	1991	14,468,500	14.1
1957	1,458,217	3.0	1992	14,759,324	14.1
1958	1,636,629	3.0	1993	14,753,020	14.1
1959	1,700,253	3.0	1994	19,794,300	18.4
1960	2,015,863	4.0	1995	19,918,500	18.4
1961	2,370,303	4.0	1996	19,653,800	18.3
1962	2,406,001	4.0	1997	20,836,000	18.4
1963	2,497,316	4.0	1998	20,644,998	18.4
1964	2,618,370	4.0	1999	21,236,659	18.4
1965	2,687,135	4.0	2000	21,040,777	18.4
1966	2,824,189	4.0	2001	20,619,195	18.4
1967	2,932,894	4.0	2002	20,942,138	18.4

Sources: Collection figures were taken from the Internal Revenue Service's Statistics of Income Bulletins. See v. 20, no. 3, Winter 2000-2001, p. 144 and v. 23, no. 2, Fall 2003, p. 329.