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How Much is Your State Gas Tax Shrinking?

 January 31, 2012 By [Larry Ehl](#) [Leave a Comment](#)

Yesterday we reviewed a report that examined the effect of historical *construction cost* inflation on state gas tax revenue ([Building a Better Gas Tax](#)). In a follow up, The Institute on Taxation and Economic Policy (ITEP) looks at the *general* inflation rate (CPI) because most construction cost data only goes back to the 1970's.

ITEP published a series of 26 charts looking at the [full history of 26 states' gas tax rates](#), adjusted for inflation. (The other 24 states do not publish sufficient data to create charts.) There's no accompanying report, just the charts. See below for the list of states.

It's yet another way of analyzing the same inescapable problem: the declining purchasing power of the gas tax.

Congressional Committees will wrestle with figuring out components of a transportation bill this month. One component they – and the White House – *won't* look at is a gas tax increase. This isn't surprising – Congress rarely increases the gas tax. And over the years, that reluctance has significantly scaled back the preservation, maintenance, and expansion of road, transit and rail projects that would move people and goods more safely, cleanly and quickly.

When the gas tax remains flat over the years its purchasing power declines in part due to **inflation of construction-related expenses**. Meanwhile, the steady population increase dictates the need for expanded roads, transit and other travel options. And much of the interstate is approaching the end of its practical life and needs significant rehabilitation.


ITEP's report, [Building a Better Gas Tax](#), reveals just how much state gas taxes have been eaten away at by rising transportation construction costs. Published last December, the report contains a wealth of information broken down by state:

States with charts:

Alabama
Alaska
Arkansas
Illinois
Iowa
Kansas
Maine
Maryland
Massachusetts
Minnesota
Missouri
Nebraska
Nevada
New Jersey
New Mexico
North Carolina
Ohio

- ★ [Tolling](#) (11)
- ★ [Transit](#) (45)
- ★ [Tribal](#) (7)
- ★ [WRDA](#) (6)

Oklahoma
Oregon
Tennessee
Texas
Utah
Vermont
Washington
Wisconsin
Wyoming

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