

Truth-in-Taxation: Motor Fuel Tax

Certified Fuel Tax Rate

Our Fuel Tax Proposal:

Convert from a flat cents per gallon fuel tax to a statewide certified fuel tax rate that mirrors Utah's certified property tax rate.

$$\text{Cents per gallon certified fuel tax rate} = \frac{\text{Prior Year Fuel Tax Revenue} + \text{New Growth}^1}{\text{Prior Year Taxable Gallons of Fuel Sold}^2}$$

1 New Growth

[% Increase in Statewide Vehicle Miles Traveled] X [Prior Year Revenue]

Growth in statewide VMT shows an increase in system use, necessitating more transportation revenue.

2 Taxable Gallons of Fuel Sold

As fuel consumption decreases due to increased fuel efficiency and other factors, the certified rate will rise to preserve revenue.



Similar to Utah's Truth in Taxation process for exceeding the certified property tax rate, the legislature could statutorily increase the certified fuel tax rate if revenue is needed beyond growth in the certified rate.



Utah Taxpayers Association

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