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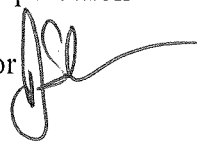
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MEMORANDUM

TO: Members, Interim Joint Committee on Transportation

FROM: John Snyder, Committee Staff Administrator 

DATE: May 27, 2024

RE: Average Wholesale Price of Gasoline for FY 25 Fuel Tax Calculation

The attached memo from the Department of Revenue gives the results for the annual survey of wholesale gas prices required under KRS 138.228 to determine a basis off which the gasoline excise tax rate of 9% is calculated for the coming fiscal year. The excise tax will drop 2.3 cents per gallon (cpg) in FY 25, from \$0.237 to \$0.214.

Also, note that in addition to the excise tax, gasoline is subject to a supplemental highway user motor fuel tax of 5 cpg (KRS 138.220(2)), and the petroleum environmental assurance fee of 1.4 cpg (KRS 224.60-145). The chart below gives the full amount of state taxes and fees on a gallon of gasoline for FY 24 and FY 25:

Tax / Fee	Where Money Goes?	Amount FY 24	Amount FY 25
Gasoline Excise Tax	Road Fund	\$0.237	\$0.214
Supplemental Highway User Motor Fuel Tax	Road Fund	\$0.05	\$0.05
Petroleum Environmental Assurance Fee	Financial Responsibility Account / Petroleum Storage Tank Account	\$0.014	\$0.014
Total Gasoline Taxes and Fees		\$0.301	\$0.278



Andy Beshear
GOVERNOR

**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT OF REVENUE
OFFICE OF SALES AND EXCISE TAXES**

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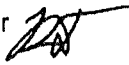
Holly M. Johnson
SECRETARY

Thomas B. Miller
COMMISSIONER

Richard Dobson
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Thomas B. Miller, Commissioner
Department of Revenue

VIA: Richard Dobson, Executive Director 
Office of Sales and Excise Taxes

FROM: Kimberly Hensley, Director
Division of Miscellaneous Taxes

SUBJECT: Annual Calculation for the Motor Fuels
Excise Tax Rate for the Fiscal Year Commencing July 1, 2024

DATE: May 20, 2024

Based upon the annual survey process required by KRS 138.288, the Division of Miscellaneous Taxes has determined the average wholesale price (AWP) of gasoline is \$2.380 for the fiscal year beginning July 1, 2024, and ending June 30, 2025. Under the statutory guidelines, the AWP cannot be greater than 110% or less than 90% of the \$2.635 AWP calculated at the close of the previous fiscal year. For the current fiscal year, the annual survey resulted in an average AWP of \$2.380, which meets the statutory thresholds. The annual survey value is based on quarterly AWP calculations as follows:

July 2023	\$2.528
October 2023	\$2.268
January 2024	\$2.099
<u>April 2024</u>	<u>\$2.625</u>
Calculated annual AWP	\$2.380

Minimum possible annual AWP \$2.372

Therefore, the gasoline excise tax rate (9% of AWP) will decrease to twenty-one and four tenths cents (\$0.214) per gallon for the fiscal year beginning July 1, 2024, and ending June 30, 2025. Please contact us if you have any questions concerning this communication.

Copy: Brian Beaven
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