

Motor Vehicle Fuel Tax

RCW Chapter 82.38

Tax Base Suppliers, distributors, refiners, and blenders of fuel pay tax on each gallon of fuel imported, produced, or delivered from a terminal rack in Washington.

Fuel includes motor vehicle fuel and special fuel:

- Motor vehicle fuel includes gasoline and other inflammable gases or liquids used to propel motor vehicles or boats.
- Special fuel includes all combustible gases and liquids used to propel motor vehicles, such as diesel, biodiesel, natural gas, propane, and butane.

Tax exemptions may reduce these taxes.
For more information, refer to the [Tax Exemption Study](#).

In addition to the state fuel taxes, federal taxes apply as may local taxes.

Tax Rate 49.4 cents per gallon

In lieu of this per gallon tax, owners of natural gas and propane powered vehicles pay an annual license fee based on gross vehicle weight. Taxpayers calculated the fee by multiplying the appropriate annual fee below by the fuel tax rate and dividing by 12 cents.

Vehicle Tonnage (GVW)	Annual Fee
0 – 6,000	\$45
6,001 - 10,000	\$45
10,001 – 18,000	\$80
18,001 – 28,000	\$110
28,001 – 36,000	\$150
36,001 and above	\$250

- Federal tax rates:
- 18.3 cents per gallon of motor vehicle fuel or gasohol.
 - 24.3 cents per gallon of diesel or kerosene.
 - 18.3 cents per gasoline gallon equivalent of liquefied petroleum gas, commonly called propane.
 - 24.3 cents per diesel gallon equivalent of liquefied natural gas.
 - 18.3 cents per gasoline gallon equivalent of compressed natural gas.
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Recent Collections (\$000)

Fiscal Year	Tax Rate (cents per gallon)	Collections ¹	% Change	% of All State Taxes
2021	49.4	\$1,590,784	-6.5%	5.3%
2020	49.4	\$1,701,593	-4.1%	6.3%
2019	49.4	\$1,775,177	-1.4%	6.9%
2018	49.4	\$1,800,547	4.1%	7.5%
2017	49.4	\$1,729,806	15.2%	7.8%
2016	44.5	\$1,502,071	17.1%	7.4%
2015	37.5	\$1,282,378	1.4%	6.8%
2014	37.5	\$1,264,797	1.8%	7.1%
2013	37.5	\$1,242,422	0.1%	7.3%
2012	37.5	\$1,240,920	-1.2%	7.7%

¹Gross tax collections, based on month of distribution.
Source: Washington State Department of Licensing

Distribution of Receipts

The Motor Vehicle Fund receives the taxes and the following distributions of the 49.4 cents per gallon occur:

- The law splits 23 cents as follows:
 - 44.387% to the Motor Vehicle Fund.
 - 3.2609% to Special Category C Account for projects that require bond financing.
 - 2.3283% to the Puget Sound Ferry Operations Account.
 - 2.3726% to the Puget Sound Ferry Capital Construction Account.
 - 13.2336% to the Transportation Improvement Account.
 - 19.2287% to counties.
 - 10.6961% to cities and towns.
 - 1.9565% to the County Arterial Preservation Account.
 - 2.5363% to the Rural Arterial Trust Account.
- 11.9 cents to the Connecting Washington Account.
- 3.5 cents to the Transportation Partnership Account.
- The law splits 6 cents as follows:
 - 83.3334% to the Transportation Partnership Account.
 - 8.3333% to counties.
 - 8.3333% to cities and towns.
- 5 cents to bond retirement for the transportation projects authorized in 2003.

Levied by State

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Administration Department of Licensing

Suppliers, distributors, blenders, fuel terminals, and registered carriers of vehicle fuel file monthly reports with the Department of Licensing that include the number of gallons of fuel:

- Received and distributed from terminal or refinery facilities.
- Transferred between licensees within the state.
- Imported into the state or exported from Washington.

Suppliers, distributors, blenders, fuel terminals, and registered carriers of vehicle fuel collect and assess the tax and then pass it on to retailers, who include it in the pump price.

History

- 2015 Passed the Connecting Washington Transportation Act. The state tax rate increased by 7 cents per gallon in fiscal year 2016 and by an additional 4.9 cents per gallon in fiscal year 2017.
- 2013 Merged Chapter 82.36 RCW with Chapter 82.38 RCW effective July 1, 2016.
- 2005 Adopted the Transportation Partnership Act resulting in , a phased in 7 cent per gallon state motor vehicle and special fuel tax increase.
- 2003 Adopted the Nickel Transportation. As a result, the state motor vehicle and special fuel tax rates increased by 5 cents per gallon. Each county in a regional transportation investment district received authority to levy a local fuel tax up to 10% of the state rate. Responsibility for administration transferred from the Department of Licensing to the Department of Revenue.
- 1998 The burden of reporting motor vehicle fuel tax shifted from the distributor to the owner of the fuel when delivered from a refinery or terminal facility into Washington.
- 1991 Authorized border jurisdiction areas to enact a motor vehicle fuel tax up to 1 cent per gallon.
- 1990 Authorized county fuel taxes.
- 1983 Repealed the fluctuating fuel tax rate.

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- 1978 Adopted a fluctuating fuel tax rate calculated using the average price of fuel and highway budgetary needs.
 - 1971 Adopted the special fuel tax statute with a rate of 9 cents per gallon; subsequent rate changes occurred consistent with changes to the motor vehicle fuel tax.
 - 1944 Voters approved the 18th amendment to the state constitution requiring the use of fuel tax revenues for highway purposes.
 - 1941 Adopted a separate “use” fuel tax at a rate of 5 cents per gallon for diesel fuel.
 - 1933 Adopted refunds for off-highway vehicle use.
 - 1921 Enacted the motor vehicle fuel tax that also applied to special fuels.
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