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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 gas tax was regarded as 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 entire amount of the tax was redirected once again to the Highway Trust Fund. The authors plan to update this fact sheet to reflect legislative changes and collection figures.

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 first expired at the conclusion of FY2003. Five extensions have continued funding through May 31, 2005. Both the House and Senate have passed highway reauthorization bills. Both versions of these bills would continue the gasoline excise tax at the current tax rate through September 30, 2011. The Senate bill adds \$11.2 billion in additional funding, all of which is fully offset by revenue provisions. It has been argued that this additional revenue is needed so that all states will receive as much in federal highway aid as they pay in federal gasoline excise taxes. A conference committee will try to reconcile the differences between these two bills. The President remains committed to the funding level he proposed in his FY2005 budget and as included in the House legislation.

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	1969	3,283,715	4.0
1934	202,575	1.0	1970	3,430,076	4.0
1935	161,532	1.0	1971	3,547,678	4.0
1936	177,340	1.0	1972	3,741,160	4.0
1937	196,533	1.0	1973	3,927,535	4.0
1938	203,648	1.0	1974	4,087,669	4.0
1939	207,019	1.0	1975	3,980,412	4.0
1940	226,187	1.0	1976	4,180,860	4.0
1941	343,021	1.5	1977	4,322,077	4.0
1942	369,587	1.5	1978	4,444,484	4.0
1943	288,786	1.5	1979	4,525,065	4.0
1944	271,217	1.5	1980	4,218,147	4.0
1945	405,563	1.5	1981	4,007,956	4.0
1946	405,695	1.5	1982	4,214,373	4.0
1947	433,676	1.5	1983	4,904,580	4.0
1948	478,638	1.5	1984	9,021,518	9.0
1949	503,647	1.5	1985	9,062,387	9.0
1950	526,732	1.5	1986	8,854,674	9.0
1951	569,048	1.5	1987	8,925,028	9.0
1952	713,174	2.0	1988	9,167,139	9.1
1953	890,675	2.0	1989	9,725,089	9.1
1954	835,610	2.0	1990	9,465,647	9.1
1955	953,201	2.0	1991	14,468,500	14.1
1956	1,030,397	2.0	1992	14,759,324	14.1
1957	1,458,217	3.0	1993	14,753,020	14.1
1958	1,636,629	3.0	1994	19,794,300	18.4
1959	1,700,253	3.0	1995	19,918,500	18.4
1960	2,015,863	4.0	1996	19,653,800	18.3
1961	2,370,303	4.0	1997	20,836,000	18.4
1962	2,406,001	4.0	1998	20,644,998	18.4
1963	2,497,316	4.0	1999	21,236,659	18.4
1964	2,618,370	4.0	2000	21,040,777	18.4
1965	2,687,135	4.0	2001	20,619,195	18.4
1966	2,824,189	4.0	2002	20,942,138	18.4
1967	2,932,894	4.0	2003	20,169,608	18.4
1968	3,030,792	4.0	2004	Full Year N/A	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. 24, no. 3, Winter 2004-2005, p. 152.