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# Gasoline Price Increases: Federal and State Authority to Limit “Price Gouging”

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## **Gasoline Price Increases: Federal and State Authority to Limit “Price Gouging”**

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Fluctuations in gasoline prices, including those resulting from crude oil supply chain concerns related to international events, have renewed focus on the role of the government in discouraging gasoline “price gouging.” Price gouging is a phrase commonly used to refer to sellers increasing prices to take advantage of certain circumstances that trigger significant decreases in supply without a corresponding decrease in demand, including emergencies. Other bills have sought to enhance protections against “price fixing,” whereby sellers collude to raise prices beyond levels dictated by market conditions. Past federal legislative efforts to address gasoline price gouging and price fixing would have barred certain commercial practices and mandated studies of gasoline pricing.

Although federal antitrust laws restrict the coordinated manipulation of a market, no federal statute specifically addresses price spikes for retail gasoline that result from the non-coordinated behavior of individual sellers. A majority of states have enacted statutes to curtail price gouging for certain critical goods and services, including gasoline, during emergencies. Some of these statutes bar pricing during emergencies that is considered to be “unconscionable” or “excessive” or otherwise violates a subjective standard. Other state statutes place a cap on prices during periods of emergency based on percentage increases from prices charged prior to the emergency for specific goods and services. These state statutes generally allow sellers to show as a defense that the price increases are the result of increased costs rather than simply changes in the marketplace.

Military operations against Iran have impacted oil shipping through the Strait of Hormuz, creating supply constraints and resulting in increased gasoline prices. This has renewed congressional interest in price gouging and other price manipulation practices. Multiple bills introduced in the 119th Congress would explicitly address price gouging for retail gasoline or other practices that might impact retail pricing during emergencies at the federal level. Some bills that would place limits on pricing during emergencies resemble restrictions found in state statutes, while other bills take a different approach.

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## Introduction

Fluctuations in retail gasoline pricing have a substantial impact on Americans and, as a result, often receive substantial media, public, and government attention—particularly when the price spikes. This attention may result in accusations that sellers of crude oil or retail gasoline are engaged in “price gouging” or “price fixing.”

“Price gouging” is a colloquial phrase usually referring to instances where “retailers and others take advantage of spikes in demand by charging exorbitant prices for necessities, often after a natural disaster or other state of emergency.”<sup>1</sup> Military operations against Iran have impacted oil shipping through the Strait of Hormuz, creating supply constraints and contributing to increased gasoline prices.<sup>2</sup> This has renewed congressional interest in price gouging and other price manipulation practices.<sup>3</sup> Currently, no federal law explicitly addresses price gouging.<sup>4</sup> However, price-gouging laws already exist in many states and are generally applicable in situations arising from a declared emergency.<sup>5</sup> Increases in gas prices prompted by ongoing activities in Iran and the Strait of Hormuz would likely be a triggering event for the applicability of some state price-gouging statutes;<sup>6</sup> the applicability of other state statutes, including those that require a declaration of emergency by a state governor, is less clear. Federal antitrust and consumer protection laws also afford consumers some protection from unfair pricing schemes.<sup>7</sup>

This report begins with a discussion of state price-gouging laws, including their triggers and applications, and then describes proposed federal legislation aimed at prohibiting price gouging.

## State Price-Gouging Laws

Many states have enacted some type of prohibition or limitation on price increases during declared emergencies. Generally, these state laws take one of two basic forms. Some states prohibit the sale of goods and services at what are deemed to be “unconscionable” or “excessive”

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<sup>1</sup> *Price Gouging State Statutes*, NAT’L CONF. OF STATE LEGISLATURES (Jan. 1, 2025), <https://www.ncsl.org/financial-services/price-gouging-state-statutes>.

<sup>2</sup> Emmitt Linder, *A Record Jump in U.S. Gasoline Prices Is Squeezing Consumers*, N.Y. TIMES (Apr. 10, 2026), <https://www.nytimes.com/2026/04/10/business/economy/gasoline-price-rise.html> [<https://perma.cc/VGD5-TA8T>]. For further discussion and analysis, see CRS Report R45281, *Iran Conflict and the Strait of Hormuz: Impacts on Oil, Gas, and Other Commodities*, coordinated by Michael Ratner (2026).

<sup>3</sup> See, e.g., Letter from Elizabeth Warren, Senator, U.S. Senate, to Andrew Ferguson, Chair, FTC (Mar. 23, 2026), [https://www.warren.senate.gov/imo/media/doc/letter\\_to\\_ftc\\_re\\_iran\\_price\\_gouging.pdf](https://www.warren.senate.gov/imo/media/doc/letter_to_ftc_re_iran_price_gouging.pdf) [<https://perma.cc/5SYJ-K2VP>].

<sup>4</sup> Although they are often conflated, “price gouging” is not the same as “price fixing,” which refers to coordination among rival businesses to charge higher prices. This report focuses on “price gouging” and sudden price spikes triggered by external events. Section 1 of the Sherman Antitrust Act categorically prohibits “naked” price fixing—that is, price fixing among rivals that is not connected to any legitimate joint productive activity. 15 U.S.C. § 1; *United States v. Socony-Vacuum Oil Co.*, 310 U.S. 150, 218 (1940). For more discussion of federal regulation of such practices, see CRS In Focus IF11234, *Antitrust Law: An Introduction*, by Jay B. Sykes (2025).

<sup>5</sup> A majority of states as well as the District of Columbia, Guam, and the Northern Mariana Islands have laws or regulations that prohibit price gouging, excessive price increases, or unconscionable pricing. Most of these states have laws that are triggered in the event of a declared emergency, with a few having laws that may be applicable at other times as well. Other states may also exercise authority under general deceptive trade practice laws depending on the nature of the state law and the specific circumstances in which price increases occur. Nat’l Conf. of State Legislators, *supra* note 1.

<sup>6</sup> See, e.g., ME. REV. STAT. ANN. tit. 10, § 1105 (2026); MICH. COMP. LAWS § 445.903(1)(z) (2026).

<sup>7</sup> For example, the Federal Trade Commission has adopted rules to prohibit energy market manipulation, as directed by Congress in Subtitle B of Title VIII of the Energy Independence and Security Act of 2007, Pub. L. No. 110-140, 121 Stat. 1492; see 16 C.F.R. pt. 317 (2026).

prices in the area and during the period of a designated emergency.<sup>8</sup> Other states have established a maximum permissible increase in the prices for retail goods during a designated emergency period.<sup>9</sup>

## Examples of State Statutes

### Prohibitions on "Excessive" or "Unconscionable" Pricing

One common way that states address price gouging is to ban prices that are considered to be (for example) "excessive" or "unconscionable," as defined in the statute or left to the discretion of the courts. These statutes generally bar such increases during designated emergency periods. The process for emergency designation is also usually defined in the statute. Frequently, the state's governor is often granted authority to designate an emergency during which the price limitations are in place.

For example, the New York statute provides that:

During any abnormal disruption of the market for goods and services vital and necessary for the health, safety and welfare of consumers or the general public, no party within the chain of distribution of such goods or services or both shall sell or offer to sell any such goods or services or both for an amount which represents an unconscionably excessive price.<sup>10</sup>

The statute defines *abnormal disruption of the market* as a real or threatened change to the market "resulting from stress of weather, convulsion of nature, failure or shortage of electric power or other source of energy, strike, civil disorder, war, military action, national or local emergency . . . which results in the declaration of a state of emergency by the governor."<sup>11</sup> The statute provides only for criminal liability and leaves the ultimate decision as to whether a price is "unconscionably excessive" to prosecutors (for charging purposes) and to the courts, with no separate cause of action created for private parties.<sup>12</sup> As guidance in such cases, the statute notes that if there is a "gross disparity" between the price during the disruption and the price prior to the disruption, or if the price "grossly exceed[s]" the price at which the same or similar goods are available in the area, such disparity will be considered *prima facie* evidence that a price is unconscionable.<sup>13</sup> The New York statute also prohibits price gouging only with respect to "goods and services vital and necessary for the health, safety and welfare of consumers or the general public."<sup>14</sup>

Similarly, Florida's statute bars "unconscionable pric[ing]" during declared states of emergency.<sup>15</sup> If the amount being charged represents a "gross disparity" from the average price at which the product or service was sold in the usual course of business (or available in the "trade area") during the thirty days immediately prior to a declaration of a state of emergency, it is considered *prima facie* evidence of "unconscionable pric[ing]," which constitutes an "unlawful act[]" or

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<sup>8</sup> See, e.g., S.C. CODE ANN. § 16-7-10 (2026), TEX. BUS. & COM. CODE ANN. §§ 17.46(b)(27), 17.4625 (West 2026).

<sup>9</sup> See, e.g., NEV. REV. STAT. § 598.09235 (2026).

<sup>10</sup> N.Y. GEN. BUS. LAW § 396-r(2)(a) (McKinney 2026).

<sup>11</sup> *Id.* § 396-r(2)(b).

<sup>12</sup> *Id.* § 396-r(3).

<sup>13</sup> *Id.* § 396-r(3)(b).

<sup>14</sup> *Id.* § 396-r(2)(d).

<sup>15</sup> FLA. STAT. § 501.160 (2026).

practice[.]”<sup>16</sup> However, pricing is not considered unconscionable if the increase is attributable to additional costs incurred by the seller or is the result of national or international market trends.<sup>17</sup> As with the New York statute, the Florida statute offers guidance, but the question of whether certain prices during an emergency are deemed “unconscionable” is ultimately left to the courts.

Both the New York and Florida statutes, as well as many other state price-gouging laws, are triggered only by an explicit declaration of emergency by a government official in response to localized conditions.<sup>18</sup> Thus, they generally will not apply after a declared emergency ends or in areas not directly affected by a particular emergency or natural disaster. However, at least two states have laws prohibiting excessive pricing that impose liability even without a declaration of any type of emergency. Maine law prohibits “unconscionable price[s]” in the sale, exchange, or handling of necessities, defined to include fuel.<sup>19</sup> Michigan’s consumer protection act simply prohibits “charging the consumer a price that is grossly in excess of the price at which similar property or services are sold.”<sup>20</sup>

### **Prohibitions of Price Increases Beyond a Certain Percentage**

In contrast to a general ban on “excessive” or “unconscionable” pricing, some state statutes leave less to the courts’ discretion and instead place explicit limits on price increases of certain goods during emergencies.

For example, California’s anti-price-gouging statute states that for a period of thirty days following the proclamation of a state of emergency by the President of the United States or the governor of California or the declaration of a local emergency by the relevant state executive officer, it is unlawful to sell or offer certain goods and services (including emergency and medical supplies, building and transportation materials, fuel, etc.) at a price more than 10% higher than the price of the good prior to the proclamation of emergency.<sup>21</sup> As a defense, a seller can show that the price increase was directly attributable to additional costs imposed on it by the supplier of the goods or additional costs for the labor and material used to provide the services.<sup>22</sup> The prohibition lasts for thirty days from the date of issuance of the emergency proclamation.<sup>23</sup> The California statute defines a “state of emergency” as “a natural or manmade emergency resulting from an earthquake, flood, fire, riot, storm, drought, plant or animal infestation or disease, pandemic or epidemic disease outbreak, or other natural or manmade disaster for which a state of emergency has been declared.”<sup>24</sup>

West Virginia has also adopted an anti-price-gouging measure based on caps to percentage increases in price during times of emergency. The West Virginia statute provides that upon a declaration of a state of emergency by the President of the United States, the governor, or the state legislature, it is unlawful to sell or offer to sell certain critical goods and services “for a price

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<sup>16</sup> *Id.* §§ 501.160(1)(b), 501.204. The section does not create a private cause of action for people harmed by such pricing. *Id.* § 501.160(6).

<sup>17</sup> *Id.* § 501.160(1)(b).

<sup>18</sup> N.Y. GEN. BUS. LAW § 396-r(2) (McKinney 2026); FLA. STAT. § 501.160; *see, e.g.*, MD. CODE ANN., PUB. SAFETY §§ 14-1301–14-1304 (West 2026).

<sup>19</sup> ME. REV. STAT. ANN. tit. 10, § 1105 (2026).

<sup>20</sup> MICH. COMP. LAWS § 445.903(1)(z) (2026).

<sup>21</sup> CAL. PENAL CODE § 396 (West 2026).

<sup>22</sup> *Id.* § 396(b).

<sup>23</sup> *Id.* The statute also forbids contractors from price increases for services related to emergency cleanups for a period of 180 days following the emergency declaration. *Id.* § 396(c).

<sup>24</sup> *Id.* § 396(j)(1).

greater than 10 percent above the price charged by that person for those goods or services on the 10th day immediately preceding the declaration of emergency.”<sup>25</sup> West Virginia also provides an exception for price increases attributable to increased costs on the seller imposed by the supplier or to added costs of providing the goods or services during the emergency.<sup>26</sup>

Some states use language barring “unconscionable” or “excessive” pricing in a manner similar to the state statutes described in the previous section, but define these terms with hard caps instead of leaving their exact definition to the discretion of the courts. For example, the Alabama statute makes it unlawful for anyone to “impose unconscionable prices for the sale or rental of any commodity, the rental of any facility, or the provision of any service during the period of a declared state of emergency.”<sup>27</sup> It also provides that prima facie evidence of unconscionable pricing exists “if any person, during a state of emergency declared pursuant to the powers granted to the Governor . . . , charges a price that exceeds, by an amount equal to or in excess of 25 percent the average price at which the same or similar commodity or rental facility was obtainable in the affected area during the last 30 days immediately prior to the declared state of emergency.”<sup>28</sup> As with most other state price-gouging statutes, the statute does not apply if the price increase is attributable to reasonable costs incurred by the seller in connection with the rental or sale of the commodity.<sup>29</sup>

A few other states have imposed caps on price increases during emergencies even tighter than the one imposed by the aforementioned statutes. Some state statutes ban *any* price increase during periods of emergency. For example, in Georgia, it is considered an “unlawful, unfair and deceptive trade practice” for anyone doing business in an area where a state of emergency has been declared to

sell or offer for sale at retail any goods or services identified by the Governor in the declaration of the state of emergency necessary to preserve, protect, or sustain the life, health, or safety of persons or their property at a price higher than the price at which such goods were sold or offered for sale immediately prior to the declaration of a state of emergency.<sup>30</sup>

As with other state gouging statutes, the Georgia statute provides an exception for price increases that reflect “an increase in cost of the goods or services to the person selling the goods or services or an increase in the cost of transporting the goods or services into the area.”<sup>31</sup>

## **State Price-Gouging Regulations**

In some states, anti-price-gouging measures have been implemented by the state’s executive branch pursuant to state consumer protection laws. For example, in Massachusetts there is no statute that specifically addresses “price gouging.” However, the state’s regulatory code includes a price-gouging provision similar to those found in state statutes as described above.<sup>32</sup> The Massachusetts regulation provides that it shall be “an unfair or deceptive act or practice, during

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<sup>25</sup> W. VA. CODE § 46A-6J-3 (2026).

<sup>26</sup> *Id.*

<sup>27</sup> ALA. CODE § 8-31-3 (2026).

<sup>28</sup> *Id.* § 8-31-4.

<sup>29</sup> *Id.*

<sup>30</sup> GA. CODE ANN. § 10-1-393.4 (2026). Under the Georgia statute only the governor can declare a state of emergency that triggers price controls. *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> 940 MASS. CODE REGS. § 3.18(1) (2026).

any market emergency, for any petroleum-related business to sell or offer to sell any petroleum product for an amount that represents an unconscionably high price.”<sup>33</sup> The regulation defines *unconscionable high price* as a price that

represents a gross disparity between the price of the petroleum product and 1. the price at which the same product was sold or offered for sale by the petroleum-related business in the usual course of business immediately prior to the onset of the market emergency, or 2. the price at which the same or similar petroleum product is readily obtainable by other buyers in the trade area; and . . .

the disparity is not substantially attributable to increased prices charged by the petroleum-related business suppliers or increased costs due to an abnormal market disruption.<sup>34</sup>

The Massachusetts attorney general promulgated these regulations pursuant to statute that authorizes regulations to administer the state’s Fair Business Practices Act.<sup>35</sup> This state statute is somewhat similar to the Federal Trade Commission Act, which makes unlawful “unfair or deceptive acts or practices in or affecting commerce”<sup>36</sup> and authorizes the Federal Trade Commission (FTC) to take action to prevent “unfair methods of competition in or affecting commerce and unfair or deceptive acts or practices in or affecting commerce.”<sup>37</sup>

Iowa has also chosen to address price gouging through regulations implementing its Consumer Fraud Act.<sup>38</sup> That statute prohibits unfair and deceptive trade practices in the sale of a product or service and authorizes the state attorney general to adopt rules and file lawsuits for injunctive relief or civil penalties for parties in violation of the act.<sup>39</sup> Pursuant to this authority, the Iowa attorney general adopted a regulation declaring that “the charge of excessive prices for merchandise needed by victims of disasters” constitutes an unfair practice under the Iowa Consumer Fraud Act.<sup>40</sup> The regulation defines *excessive price* as “one that is not justified by the seller’s actual costs of acquiring, producing, selling, transporting, and delivering the actual product sold, plus a reasonable profit.”<sup>41</sup>

## Federal Oversight of Price-Gouging

No federal statute deals specifically with price gouging. However, federal antitrust laws may apply to behavior generally regarded as price gouging. The FTC also sometimes warns consumers of conditions for price gouging ahead of certain events like national disasters and directs them to be wary of exploitative retailers.<sup>42</sup> The FTC monitors gas prices and investigates possible antitrust

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<sup>33</sup> *Id.*

<sup>34</sup> *Id.* § 3.18(2).

<sup>35</sup> MASS. GEN. LAWS ch. 93A, § 2(c) (2026).

<sup>36</sup> 15 U.S.C. § 45(a)(1).

<sup>37</sup> *Id.* § 45(a)(2).

<sup>38</sup> IOWA CODE § 714.16 (2026).

<sup>39</sup> *Id.*

<sup>40</sup> IOWA ADMIN. CODE § 61-31.1 (2026).

<sup>41</sup> *Id.*

<sup>42</sup> Press Release, FTC, FTC, DOJ and CFPB Warn Consumers About Potential Scams and Price Gouging in the Wake of Hurricanes and other Natural Disasters (Oct. 9, 2024), <https://www.ftc.gov/news-events/news/press-releases/2024/10/ftc-doj-cfpb-warn-consumers-about-potential-scams-price-gouging-wake-hurricanes-other-natural> [<https://perma.cc/B4YD-BB8G>].

violations in the petroleum industry.<sup>43</sup> In addition, the Energy Policy Act of 2005 required the FTC to investigate whether the price of gasoline was being “artificially manipulated by reducing refinery capacity or by any other form of market manipulation or price gouging practices.”<sup>44</sup> In 2006, the FTC released its report, finding generally that sellers behaved competitively following Hurricane Katrina and that the price increases were the result of increased costs, although there were limited instances of price gouging.<sup>45</sup> Interest in gasoline prices also goes beyond the potential antitrust problem of market manipulation and extends to the non-coordinated behavior of individual sellers. The FTC issued a second report on gasoline pricing in 2011, once again finding that crude oil prices rather than price fixing or price gouging was the “main driver” of retail gasoline price increases over the previous six years.<sup>46</sup>

## Legislative Activity and Considerations for the 119<sup>th</sup> Congress

Multiple legislative proposals in the 119<sup>th</sup> Congress would give the federal government the authority to regulate and limit retail price gouging for gasoline and other consumer goods and services.<sup>47</sup> For example, H.R. 4528 and S. 2321, the Price Gouging Prevention Act of 2025, would make it a federal crime to “sell or offer for sale a good or service at a grossly excessive price” and would make it a presumptive violation of this prohibition if “during an exceptional market shock, it is shown by a preponderance of the evidence that the person . . . is using the effects or circumstances related to an exceptional market shock as a pretext to increase prices.”<sup>48</sup> Such legislation could capture price increases associated with the military conflict in Iran which likely qualifies as an “exceptional market shock” as defined by the bill, although some retailers might be able to demonstrate that the increase in price was a direct result of additional costs not within their control.<sup>49</sup> Other legislation seeks to prevent price gouging in goods subject to tariffs.

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<sup>43</sup> For more information on the FTC’s activities with respect to gas pricing, see *Oil and Gas*, FTC, <https://www.ftc.gov/news-events/topics/competition-enforcement/oil-gas> [<https://perma.cc/H7TD-RU9M>] (last visited Mar. 20, 2026).

<sup>44</sup> Pub. L. No. 109-58, § 1809(a), 119 Stat. 594, 1125 (2005).

<sup>45</sup> The FTC’s report can be viewed at FTC, INVESTIGATION OF GASOLINE PRICE MANIPULATION AND POST-KATRINA GASOLINE PRICE INCREASES (2006), <https://www.ftc.gov/sites/default/files/documents/reports/federal-trade-commission-investigation-gasoline-price-manipulation-and-post-katrina-gasoline-price/060518publicgasolinepricesinvestigationreportfinal.pdf> [<https://perma.cc/KF4V-QCKG>].

<sup>46</sup> FTC BUREAU OF ECON., GASOLINE PRICE CHANGES AND THE PETROLEUM INDUSTRY: AN UPDATE (2011), <https://www.ftc.gov/sites/default/files/documents/reports/federal-trade-commission-bureau-economics-gasoline-price-changes-and-petroleum-industry-update/federal-trade-commission-bureau-economics-gasoline-price-changes-and-petroleum-industry.pdf> [<https://perma.cc/C2UR-DZD6>].

<sup>47</sup> For further discussion of federal efforts to limit retail price gouging, see CRS Report R48916, *Retailer Inventory and Pricing Behavior During Supply Chain Disruptions*, by Michael Alan Havlin and Clare Y. Cho (2026).

<sup>48</sup> S.2321, § 3(a), (c), 119th Cong. (2025). There is a companion bill in the House, H.R. 4528, 119th Cong. (2025). These bills provide an affirmative defense for entities whose “ultimate parent entity earned less than \$100,000,000 in gross revenue from goods or services provided in the United States during the 12-month period preceding the sale or offer” and who can show that the price increase is directly attributable to additional costs that the entity incurred and that are not within the entity’s control.

<sup>49</sup> S.2321, § 2(3)(a), 119th Cong. (2025) (defining “exceptional market shock” to potentially include “any change or imminently threatened ... change in the market for a good or service resulting from ... war, military action, national or local emergency, abrupt or significant shift in trade policy, ... or any other cause of an atypical disruption in such market).

For example, H.R. 6318 would prohibit selling “a tariffed good at an unreasonably high price during the 5-year period” following imposition of the tariff.<sup>50</sup>

Prosecutions for “price gouging” are generally done at the state level under the existing legal framework. Legislators who want to expand federal enforcement authority can look to bills introduced in this Congress or in previous Congresses, or at the state statutes discussed in this report, for guidance on any number of potential approaches. Options include broader grants of authority to enforce price gouging prohibitions across a range of goods<sup>51</sup> to bills that specifically target crude oil and gasoline pricing.<sup>52</sup> The broad panoply of state approaches discussed in this report also offer options for legislators to consider if they seek to expand the federal role in limiting price gouging.

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<sup>50</sup> H.R. 6318, § 3(a), 119th Cong. (2025).

<sup>51</sup> *Id.*

<sup>52</sup> *See e.g.*, H.R. 7099, 117th Cong. (2022); S. 355, 118th Cong. (2023).