

TRANSPORTATION FUEL TAX, REVENUE, AND CONSUMPTION TRENDS

WISCONSIN DEPARTMENT OF TRANSPORTATION

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Transportation Fuel Tax, Revenue and Consumption Trends 2007

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A Message to Our Readers:

The Wisconsin Department of Transportation is pleased to provide you with a copy of a new publication titled Transportation Fuel Tax, Revenue, and Consumption Trends. This document is intended to serve as a resource for transportation professionals and those interested in debating the merits of Wisconsin's methods of fuel taxation and transportation funding.

It is our hope that this information can enhance transparency of a revenue source that provides more than 60 percent of the state funds in the Department's biennial budget. In this respect, this publication serves as a companion to Transportation Budget Trends, our biennial summary of how Wisconsin's state and federal transportation funds are distributed across the various transportation modes. Like Transportation Budget Trends, we plan to prepare this document on a biennial basis.

In general, this report presents a high level summary of tax rates, revenues and fuel consumption, beginning with the creation of the Wisconsin Transportation Fund in 1978. This edition tracks this information through the end of state fiscal year 2005.

The first three sections focus on state fuel tax rates, fuel tax as a revenue source, and a comparison of fuel tax revenues to other state tax revenue sources. Section four focuses on fuel consumption trends, and the final section outlines several trends related to fuel consumption.

Please feel welcome to provide us with your comments about this new publication and your suggestions for future editions.

Sincerely,

A handwritten signature in black ink that reads "Casey Newman". The signature is written in a cursive, flowing style.

Casey Newman, Director
Office of Policy, Budget and Finance

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EXECUTIVE SUMMARY

This report summarizes trends related to motor vehicle fuel beginning with the creation of Wisconsin's unified, multimodal Transportation Fund in 1978. The motor vehicle fuel revenue amounts outlined in this report include the aggregated revenues from gasoline, gasoline-ethanol blends, diesel fuel, biodiesel, and alternate fuels. Revenues attributable to general aviation fuel are reported separately. The report also compares revenue growth of motor vehicle fuel with other state tax revenues and summarizes taxable fuel consumption. The final section of this report presents information outlining state and national trends contributing to motor vehicle fuel consumption levels.

Purpose

By providing a comprehensive source of information and analysis about motor fuel revenues, consumption and tax rates, this effort enhances transparency of a revenue source that provides more than 60 percent of the state funds in the Department's biennial budget.

Process

In most cases, the percentage change over time in motor fuel tax rates, revenues and consumption is reported for (1) the entire 28-year period, 1978 to 2005, and for two smaller historic periods: (2) from the creation of the Wisconsin Transportation Fund in 1978 through 1984, and (3) from the implementation of motor fuel "indexing" in FY1985 through FY 2005. A compound annualized growth rate (CAGR) is also provided for tax rates, revenue and fuel consumption in each historic period.

Most of the financial data in this report is presented in actual dollars (nominal dollars), and in constant 2005 dollars to eliminate the effects of inflation.

Notable Trends

Among the many trends outlined in the report, several are of particular interest:

- Under current state statutes, all gasoline-ethanol blends and biodiesel are taxed at the same rate as gasoline and diesel fuel.
- Although motor vehicle fuel is the primary source of DOT state funding, it generates a relatively small share of the state's overall revenue mix.
- Since FY 85 motor fuel revenue growth has failed to keep pace with the growth of several of the state's key revenue sources -- tax on individual income and sales/use tax.

- Since FY 85 motor fuel revenue growth has outpaced growth of several of the state's other revenue sources -- taxes on corporate income and public utilities, and "sin" taxes on cigarettes and tobacco, beer, wine and liquor.
- Although they comprise a small share of DOT revenues, tax revenue related to aviation is stagnant or declining, but tax revenue related to railroads is increasing and has outpaced motor fuel revenue growth.
- Consumption of diesel fuel as a share of all motor vehicle fuel consumption in Wisconsin is increasing.
- Since the early 1990s, national data suggest that the year-to-year change in average light vehicle MPG has been generally negative or close to zero.

INTRODUCTION

The recent volatility of petroleum prices has increased the appetite for information concerning motor vehicle fuel tax revenues, tax rates and consumption among policymakers, transportation stakeholders and the traveling public. As such, this report summarizes trends related to motor vehicle fuel beginning with the creation of Wisconsin's unified, multimodal Transportation Fund in 1978.

In most cases, the percentage change over time in motor fuel tax rates, revenues and consumption is reported for (1) the entire 28-year period, 1978 to 2005, and for two smaller historic periods: (2) from the creation of the Wisconsin Transportation Fund in 1978 through 1984, and (3) from the implementation of motor fuel "indexing" in FY1985 on April 1st through FY 2005. The percentage change for each year and the total change for each historic period is calculated by subtracting the base FY year (earliest) amount from the last FY amount of the period, divided by the base year amount.

A compound annualized growth rate (CAGR) is also provided for tax rates, revenue and fuel consumption in each historic period. The CAGR provides a "smoothed" rate of growth that takes into account the number of years in a period and the compounding effect of changes, i.e. $CAGR = (\text{latest year/base year})^{1/\# \text{ of years}} - 1$. This allows for a simple comparison of growth rates.

Most of the financial data in this report is presented in actual dollars (nominal dollars), and in constant 2005 dollars to eliminate the effects of inflation. Constant dollar values were calculated on a fiscal year basis using the Consumer Price Index as reported by Global Insights, Inc. in February 2006.

MOTOR VEHICLE FUEL AS A CATEGORY FOR TAX PURPOSES

Prior to 1994, gasoline used to power motor vehicles was categorized in the Wisconsin Statutes as "motor fuel" and taxed in cents-per gallon (cpg). Fuel used for aviation purposes was categorized separately as "general aviation fuel" and was also subject to an excise tax levied at a flat, cents per gallon rate, but the rate was lower than fuel used for motor vehicle use.¹ Diesel fuel, and other alternatives to gasoline (e.g. liquid propane gas and compressed natural gas) were categorized as "special fuel" and taxed at the same rate as gasoline used to power motor vehicles.

In 1994, the **Executive Budget Act (1993 Act 16)** eliminated the "special fuel" category and grouped diesel fuel with gasoline used to power motor vehicles as "motor vehicle fuel," each subject to the same cents per gallon rate. **Act 16** also formally defined as gasoline petroleum products obtained by blending gasoline with other substances if it was capable of powering a motor vehicle, essentially grouping various gasoline-ethanol blends such as E-85 and "gasohol" with gasoline for tax purposes.

¹ The excise tax on fuel used for aviation replaced a 4% sales/use tax on its purchase as of January 1, 1982.

At the same time, **Act 16** created a new “alternate fuel” tax category for all fuels other than diesel fuel and gasoline, taxed at the same rate as motor vehicle gasoline and diesel fuel. **Act 16** preserved the separate category and lower tax rate for “aviation fuel.” These categories are further defined in Chapter 78 of the Wisconsin Statutes, including provisions for the shipment, receipt and sale of fuels, licensing of fuel distributors, collection of taxes, permissible tax exemptions, and refunds of taxes already paid.²

SOURCES OF DATA

The motor vehicle fuel revenue amounts summarized in this report include the aggregated revenues from gasoline, gasoline-ethanol blends, diesel fuel, biodiesel, and alternate fuels.³ Revenues attributable to general aviation fuel are reported separately.

All revenue data for motor vehicle fuel beginning with FY 84 and aviation fuel from FY 1995 is based on financial information maintained by the WisDOT Office of Policy, Budget and Finance (OPBF). Data for motor fuel revenue prior to FY 84, and aviation fuel revenue before FY 95 reflect amounts published by the Wisconsin Department of Administration (DOA) in the state’s annual fiscal report.⁴ All other state revenue sources summarized in this report also reflect DOA annual report amounts.

The source for all Wisconsin motor vehicle fuel consumption data used in this report is OPBF. Aviation fuel consumption data after FY 94 is also from information maintained by OPBF. WisDOT data on consumption of general aviation fuel from FY 82 through FY 94 is unavailable and was compiled from monthly fuel tax statistical reports prepared and published by the Wisconsin Department of Revenue (DOR). Consumption data for liquid propane gas (LPG) and compressed natural gas (CNG) i.e. “alternate fuels” is also compiled from DOR statistical reports.

The appendix to this report presents information outlining state and national trends contributing to motor vehicle fuel consumption levels. This information is based on data reported in February 2006 by DOR and Global Insights, Inc. Wisconsin population data reflect census and associated population estimates published by the U.S. Bureau of the Census. The source of nominal retail price data for gasoline is the U.S. Energy Information Administration.

² An index of fuel tax subjects, with references to Wisconsin Statutes, Administrative Rules, and the Wisconsin Tax Bulletin, is available from the Wisconsin Department of Revenue at: <http://dor.state.wi.us/ise/top-cc/timtrf.pdf>. Also, see Robert J. Eger III, et. al. (October 2002), “Wisconsin’s Off-Road Fuel Tax Collection Process: A Midwestern Comparative Analysis and Assessment,” Final Report SPR 0092-02-08, pp. 29-35 at <http://www.dot.state.wi.us/library/research/docs/finalreports/02-08off-roadfueltax-f.pdf> for a description and analysis of various statutory provisions affecting motor fuel taxation in Wisconsin and other Midwestern states.

³ Revenue amounts for alternate fuel are not reported separately due to their lack of a separate DOT object code. Since taxable alternate fuel consumption was only about 0.11% of all consumption of taxable fuel used to power motor vehicles in FY 05, the amount of tax revenue generated by alternate fuel is very small and does not significantly affect the amounts reported for motor vehicle fuel. The amounts reported as motor vehicle fuel also reflect annual Wisconsin Floor Tax amounts, refunds for non-highway use, amounts attributed to a special fuel tax revenue code used by DOT’s Division of Motor Vehicles, and administrative costs of the International Fuel Tax. Floor tax is an amount collected from fuel distributors on the existing inventory of motor fuel when the fuel tax rate changes, but only if the previous fuel tax rate has already been paid. Administrative costs are for the standardized motor fuel tax reporting and tax collection system used for interstate motor carriers.

⁴ The revenue results reported by DOA in each annual financial report are summarized in editions of the Wisconsin Blue Book.

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FUEL TAX RATES

The state excise tax on motor fuel was created in 1925 at a rate of \$0.02 per gallon (cpg). The rate was increased to \$0.04 cpg in 1931, and between 1931 and 1985 the tax rate was increased on six separate occasions, 1955, 1966, 1980, 1981, 1983 and 1984.⁵ After the statutory increase in July 1984, the tax on motor fuel and special fuel was \$0.16 cpg, or approximately 13.5% of the national average cost (\$1.18) of a gallon of gasoline in 1984.

INDEXING OF TAX RATES, FY 1985 – FY 2005

Beginning in 1985, the **Executive Budget Act (1983 Act 27)** provided that the motor fuel tax and special fuel tax rates would be recomputed each year to reflect changes in fuel consumption and the highway maintenance cost index, as determined by the U.S. Department of Transportation, Federal Highway Administration. The governor vetoed a provision of **Act 27** that would have ended this adjustment in 1989.

In 1991, the **Executive Budget Act (1991 Act 39)** reaffirmed the statutory basis for adjusting motor and special fuel tax rates, but altered the method of calculation. Instead of adjusting rates to reflect fuel consumption and highway maintenance costs, annual adjustments would be calculated annually based on the U.S. consumer price index for all urban consumers, as determined by the U.S. Department of Labor, and fuel consumption. In 1994, the **Executive Budget Act (1993 Act 16)** created a separate tax category for “alternate fuels”, and under these provisions alternate fuels became subject to the same annual adjustment as “motor vehicle fuel.”

In 1997 the **Executive Budget Act (1997 Act 27)** eliminated the consumption factor used to calculate the annual adjustment for “motor vehicle” and “alternate” fuels. As such, the annual adjustment for motor vehicle fuel was based solely on the year-to-year changes in the U.S. consumer price index. The annual adjustment to the “alternate fuel” tax rate was likewise “indexed” to the consumer price index, but the calculation also included a factor based on the standard number of British thermal units (BTUs) per gallon generated by each kind of alternate fuel sold in Wisconsin, compared to the number of BTUs

⁵ A brief history of Wisconsin motor vehicle fuel taxation and the repeal of fuel tax indexing is available from the Wisconsin Legislative Reference Bureau at: <http://www.legis.state.wi.us/LRB/pubs/Lb/06Lb2.pdf>, also, see Wisconsin Legislative Fiscal Bureau (January, 2007) “Motor Vehicle Fuel and Alternate Fuel Tax,” Informational Paper #41 at: <http://www.legis.state.wi.us/lfb/Informationalpapers/41.pdf>.

generated by gasoline. This resulted in lower, and different tax rates for the principle alternate fuels used in Wisconsin after 1997, compared to the tax rate for motor vehicle fuel.⁶

Following the initial adoption of a method for calculating annual adjustments in 1985 the legislature also adopted two statutory increases to the tax rates for fuels used to power motor vehicles (\$0.02 cpg in 1987 and \$0.01 cpg in 1997), and suspended the annual fuel tax indexing adjustment in 1992 until 1993, when it was added to the 1993 indexing adjustment.

By 2005 the tax on motor vehicle fuel was \$0.299 cpg, or approximately 13.2% of the national average cost (\$2.27) of a gallon of gasoline.⁷

The annual indexing of fuels used to power motor vehicles was repealed in December 2005 (**Act 85**), with the last annual adjustment occurring on April 1, 2006.

EXEMPTIONS

State motor vehicle fuel tax exemptions are allowed for several reasons, as outlined in Chapter 78 (Motor Vehicle and General Aviation Fuel Taxes) of the Wisconsin Statutes, including:

- Sales to the U.S. government or its agencies;
- Sales to common carriers for urban mass transit of passengers;
- Sales for use in trains;
- Sales on a tribal reservation to a Native American who is an enrolled member of the Tribe.

Wisconsin municipalities and school districts are not exempt from the Wisconsin motor vehicle fuel tax.

The Statutes also grant an exemption to the general aviation fuel tax to commercial air carriers.

REFUNDS AND ALLOWANCES

Refunds of the state motor vehicle fuel tax are also allowed under the Statutes, including:

- Off-road use in non-licensed mobile machinery and equipment, (e.g. farmers, construction companies and logging operations);
- Use in licensed vehicles with power take-off units that share the same fuel supply tank used to power the vehicle (e.g. waste management, ready-mix, liquid waste and utility companies) may be refunded on the fuel attributable to the power take-off units;
- Use in operating a taxicab to transport passengers;
- Sales by vendors of motor fuel who sell tax-paid gasoline and undyed diesel fuel for exempt use.

⁶ For a discussion of the rationale for using BTUs as a basis for alternate fuel tax rates, and more generally, the structure of motor fuels excise taxes and the evolution of federal highway taxes on transportation fuels, see Salvatore Lazzari (March 19,1997), "The Tax Treatment of "Alternative Transportation Fuels," CRS Report for Congress, No. 97-195, available at: <http://www.cnie.org/NLE/CRSreports/Transportation/trans-6.cfm> .

⁷ During the twenty-year period between adoption of annual fuel tax adjustments in 1985 and repeal of indexing in 2005, the tax treatment of "aviation fuel" was unaltered and remained at a fixed rate of \$0.06 cpg.

Off-road use by licensed snowmobiles, recreational motorboats and all-terrain vehicles (unless the ATV is registered for private use) are not eligible for fuel tax refunds.

The Statutes also entitle fuel suppliers to a 1.35% “evaporation” allowance on the amount of gasoline reported for tax purposes.

TRENDS – MOTOR VEHICLE FUEL TAX RATE

When the Transportation Fund was established in 1978 the tax rate for gasoline and diesel fuel was \$0.07 cents per gallon (cpg). By the time motor fuel tax indexing was implemented in 1985, the tax rate was \$0.16 cpg, a nominal dollar increase of 114.3%, or 31.8% in constant 2005 dollars. Between FY 85 and FY 05, the tax rate for gasoline and diesel fuel increased from \$0.165 to \$0.299 cpg, an 81.2% nominal dollar increase, or 0.0% in constant 2005 dollars. Overall, since the Transportation Fund was established in FY 78 and FY 05, gasoline and diesel fuel tax rates in nominal dollars have increased 327.1%, or 39.6% in constant 2005 dollars.

As such, the change in motor vehicle fuel tax rates:

- From FY 78 thru FY 84 (before implementation of fuel tax indexing) is equivalent to an annual 13.5% nominal dollar increase, or 4.7% when adjusted for inflation.
- From FY 85 thru FY 05 (after implementation of fuel tax indexing) is equivalent to an annual 3.0% nominal dollar increase, or 0.0% when adjusted for inflation.
- From FY 78 thru FY 05 (after creation of the Transportation Fund) is equivalent to an annual 5.5% nominal dollar increase, or 1.2% when adjusted for inflation.

TRENDS – GENERAL AVIATION AND ALTERNATE FUEL TAX RATES

Since FY 82 when the tax rate for general aviation fuel was converted from a 4% sales tax to a fixed cent per gallon excise tax, the tax rate has been \$0.06 cpg. As such, the tax rate for general aviation fuel has not increased in nominal dollars, and has declined in constant 2005 dollars by -50.9% since FY 82 and -44.8% since indexing of tax rates began for motor vehicle fuel in FY 85.

As such, the change in the general aviation fuel tax rate:

- From FY 85 thru FY 05 is equivalent to an annual 0.0% nominal dollar increase, or a -2.9% decrease when adjusted for inflation.

Since FY 99 when separate alternate fuel rates were established for compressed natural gas (CNG) and liquefied propane gas (LPG), the tax rate for CNG has increased from \$0.206 to \$0.239 cpg. The tax rate for LPG has increased from \$0.189 to \$0.219 cpg since FY 99.

As such, the change in alternate fuel tax rates:

- From FY 99 thru FY 05 are equivalent to an annual 2.5% nominal dollar increase, or a -0.1% decrease when adjusted for inflation.

SECTION 1: FUEL TAX RATES

Table FTR-1: State Motor Vehicle Fuel Tax Rate (cents per gallon)^{8,9}

Year (as of April 1)	Nominal \$		Constant 2005 \$	
	Motor Fuel Tax Rate (Gasoline/Diesel)	Annual % Change	Motor Fuel Tax Rate (Gasoline/Diesel)	Annual % Change
1978	0.070		0.214	
1979	0.070	0.0%	0.196	-8.6%
1980	0.070	0.0%	0.173	-11.7%
1981	0.090	28.6%	0.199	15.2%
1982	0.130	44.4%	0.265	32.9%
1983	0.130	0.0%	0.254	-4.1%
1984	0.150	15.4%	0.282	11.3%
1985	0.165	10.0%	0.299	5.8%
1986	0.175	6.1%	0.308	3.1%
1987	0.180	2.9%	0.310	0.7%
1988	0.209	16.1%	0.346	11.5%
1989	0.208	-0.5%	0.329	-4.8%
1990	0.215	3.4%	0.325	-1.4%
1991	0.222	3.3%	0.318	-2.1%
1992	0.222	0.0%	0.308	-3.1%
1993	0.232	4.5%	0.312	1.3%
1994	0.231	-0.4%	0.303	-3.0%
1995	0.234	1.3%	0.298	-1.5%
1996	0.237	1.3%	0.294	-1.4%
1997	0.238	0.4%	0.287	-2.4%
1998	0.254	6.7%	0.301	4.8%
1999	0.258	1.6%	0.301	-0.2%
2000	0.264	2.3%	0.299	-0.5%
2001	0.273	3.4%	0.299	0.0%
2002	0.281	2.9%	0.302	1.2%
2003	0.285	1.4%	0.300	-0.8%
2004	0.291	2.1%	0.300	-0.1%
2005	0.299	2.7%	0.299	-0.2%
Total % Change 1978 to 1984 Compound Annual Growth Rate	114.3%	13.5%	31.8%	4.7%
Total % Change 1985 to 2005 Compound Annual Growth Rate	81.2%	3.0%	0.0%	0.0%
Total % Change 1978 to 2005 Compound Annual Growth Rate	327.1%	5.5%	39.6%	1.2%

⁸ The tax rates reported here and throughout this report are excise tax rates and do not include the Petroleum Inspection Fee (PECF). The PECHFA fee is the Wisconsin Legislature's response to federal regulations requiring the cleanup of contamination from underground petroleum tanks. Currently, the PECHFA fee is \$0.02 cents per gallon.

⁹ Following the repeal of indexing in December 2005, the final adjustment to the motor fuel excise tax rate occurred on April 1, 2006, raising the rate to the current level of \$0.309 cents per gallon.

SECTION 1: FUEL TAX RATES

Figure FTR-1.1: State Motor Vehicle Fuel Tax Rate (nominal \$, cents per gallon)

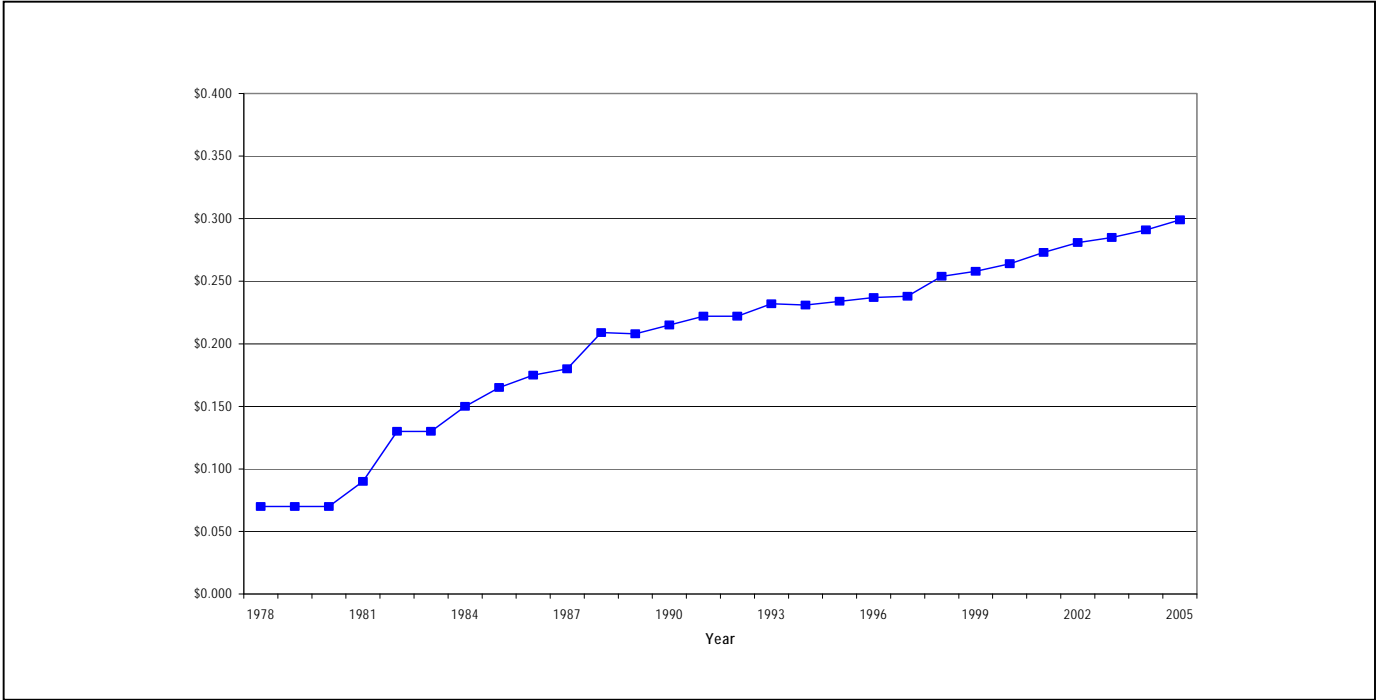
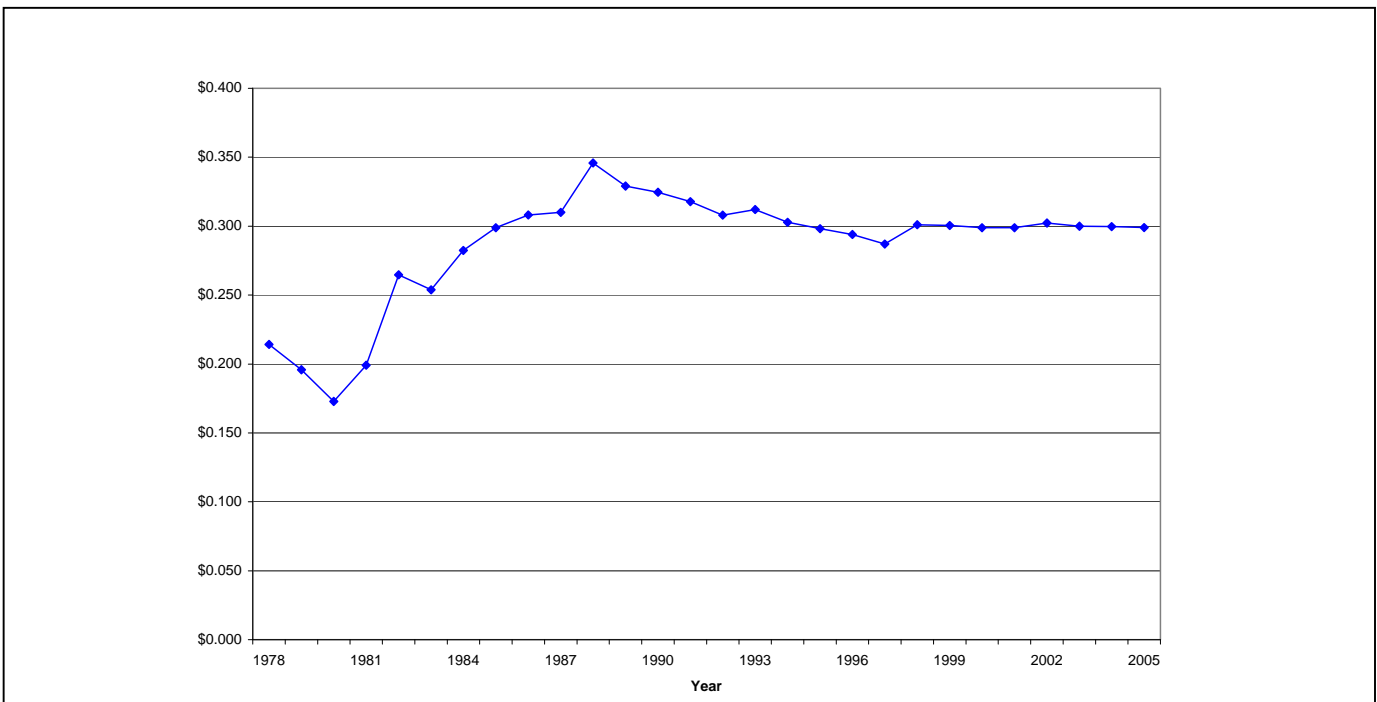


Figure FTR-1.2: State Motor Vehicle Fuel Tax Rate (constant 2005 \$, cents per gallon)



SECTION 1: FUEL TAX RATES

Table FTR-2: State General Aviation Fuel Tax Rate (cents per gallon)

Year (as of April 1)	Nominal \$		Constant 2005 \$	
	Aviation Fuel Tax Rate	Annual % Change	Aviation Fuel Tax Rate	Annual % Change
1982	\$0.060		\$0.122	
1983	\$0.060	0.0%	\$0.117	-4.1%
1984	\$0.060	0.0%	\$0.113	-3.6%
1985	\$0.060	0.0%	\$0.109	-3.8%
1986	\$0.060	0.0%	\$0.106	-2.8%
1987	\$0.060	0.0%	\$0.103	-2.1%
1988	\$0.060	0.0%	\$0.099	-4.0%
1989	\$0.060	0.0%	\$0.095	-4.4%
1990	\$0.060	0.0%	\$0.091	-4.6%
1991	\$0.060	0.0%	\$0.086	-5.2%
1992	\$0.060	0.0%	\$0.083	-3.1%
1993	\$0.060	0.0%	\$0.081	-3.0%
1994	\$0.060	0.0%	\$0.079	-2.6%
1995	\$0.060	0.0%	\$0.076	-2.8%
1996	\$0.060	0.0%	\$0.074	-2.7%
1997	\$0.060	0.0%	\$0.072	-2.8%
1998	\$0.060	0.0%	\$0.071	-1.8%
1999	\$0.060	0.0%	\$0.070	-1.7%
2000	\$0.060	0.0%	\$0.068	-2.8%
2001	\$0.060	0.0%	\$0.066	-3.3%
2002	\$0.060	0.0%	\$0.065	-1.7%
2003	\$0.060	0.0%	\$0.063	-2.2%
2004	\$0.060	0.0%	\$0.062	-2.1%
2005	\$0.060	0.0%	\$0.060	-2.9%
Total % Change 1978 to 1984 Compound Annual Growth Rate	N/A	N/A	N/A	N/A
Total % Change 1985 to 2005 Compound Annual Growth Rate	0.0%	0.0%	-44.8%	-2.9%
Total % Change 1978 to 2005 Compound Annual Growth Rate	N/A	N/A	N/A	N/A

SECTION 1: FUEL TAX RATES

Figure FTR-2.1: State General Aviation Fuel Tax Rate (nominal \$, cents per gallon)

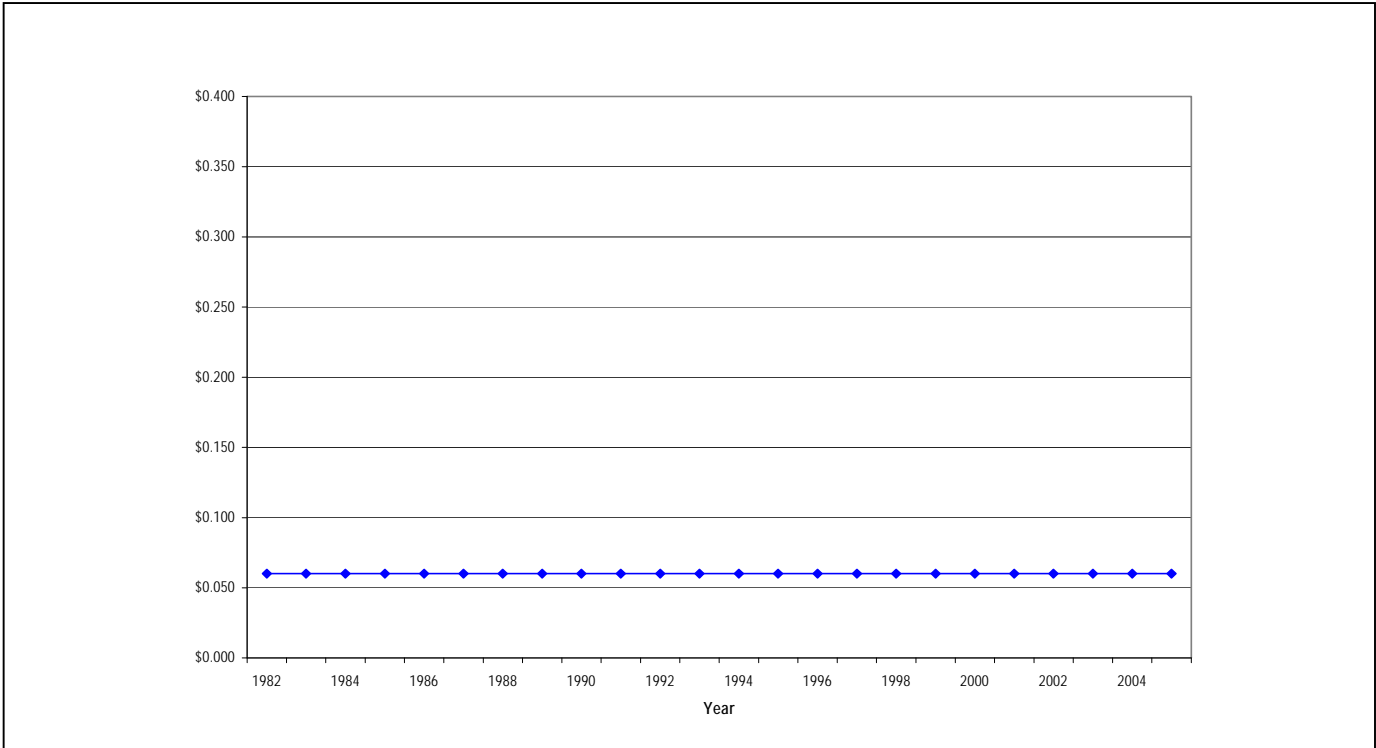
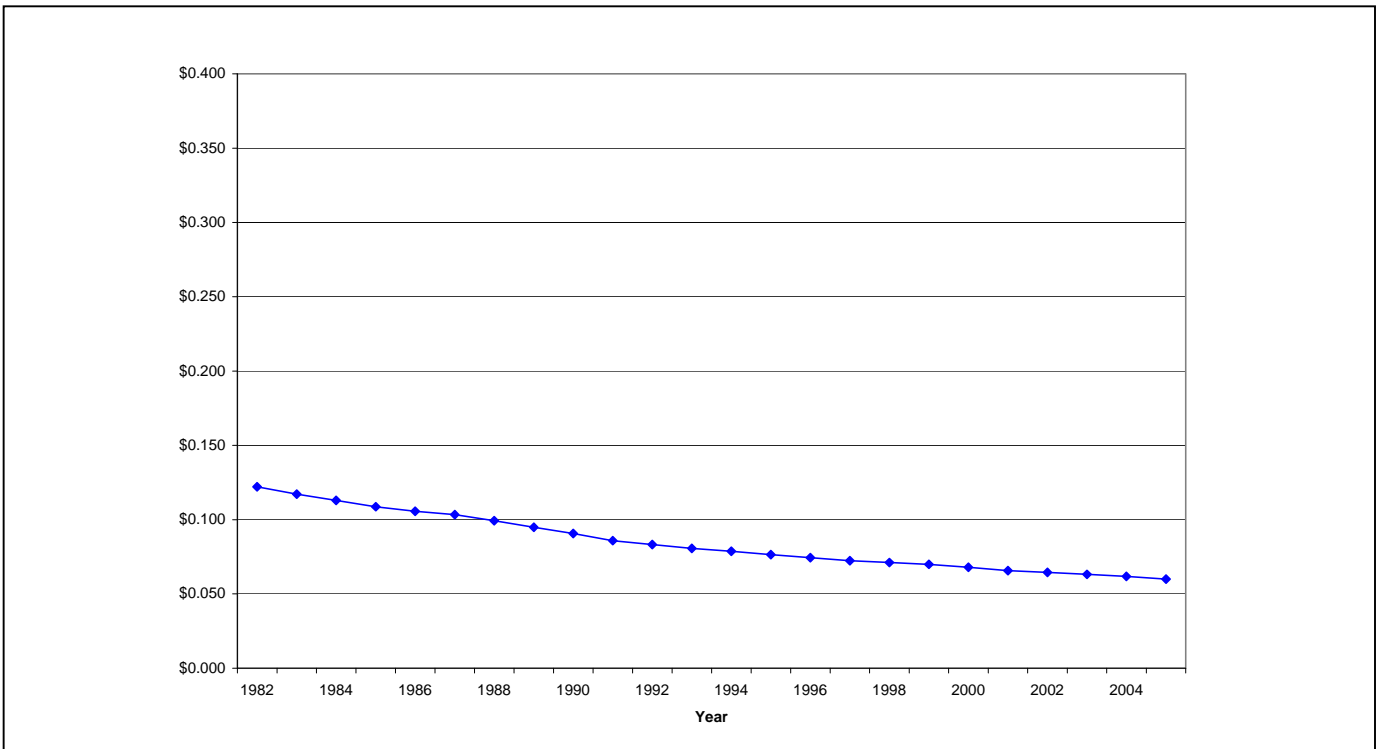


Figure FTR-2.2: State General Aviation Fuel Tax Rate (constant 2005 \$, cents per gallon)



SECTION 1: FUEL TAX RATES

Table FTR-3: State Alternate Fuels Tax Rate (cents per gallon)¹⁰

Year (as of April 1)	Nominal \$				Constant 2005 \$			
	Compressed Natural Gas (CNG)	Annual % Change	Liquid Propane Gas (LPG)	Annual % Change	Compressed Natural Gas (CNG)	Annual % Change	Liquid Propane Gas (LPG)	Annual % Change
1994	\$0.231		\$0.231		\$0.303		\$0.303	
1995	\$0.234	1.3%	\$0.234	1.3%	\$0.298	-1.5%	\$0.298	-1.5%
1996	\$0.237	1.3%	\$0.237	1.3%	\$0.294	-1.4%	\$0.294	-1.4%
1997	\$0.238	0.4%	\$0.238	0.4%	\$0.287	-2.4%	\$0.287	-2.4%
1998	\$0.254	6.7%	\$0.254	6.7%	\$0.301	4.8%	\$0.301	4.8%
1999	\$0.206	-18.9%	\$0.189	-25.6%	\$0.240	-20.3%	\$0.220	-26.9%
2000	\$0.211	2.4%	\$0.193	2.1%	\$0.239	-0.4%	\$0.219	-0.7%
2001	\$0.218	3.3%	\$0.200	3.6%	\$0.239	-0.1%	\$0.219	0.2%
2002	\$0.225	3.2%	\$0.206	3.0%	\$0.242	1.4%	\$0.222	1.2%
2003	\$0.228	1.3%	\$0.208	1.0%	\$0.240	-0.9%	\$0.219	-1.2%
2004	\$0.233	2.2%	\$0.213	2.4%	\$0.240	0.0%	\$0.219	0.2%
2005	\$0.239	2.6%	\$0.219	2.8%	\$0.239	-0.4%	\$0.219	-0.2%
Total % Change 1978 to 1984 Compound Annual Growth Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total % Change 1985 to 2005 Compound Annual Growth Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total % Change 1978 to 2005 Compound Annual Growth Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

¹⁰ Ethanol blended gasoline and biodiesel fuels are defined by state statute as gasoline and diesel fuel respectively, and are taxed at the motor vehicle fuel rate, not the alternate fuel tax rate.

SECTION 1: FUEL TAX RATES

Figure FTR-3.1: State Alternate Fuels Tax Rate (nominal \$, cents per gallon)

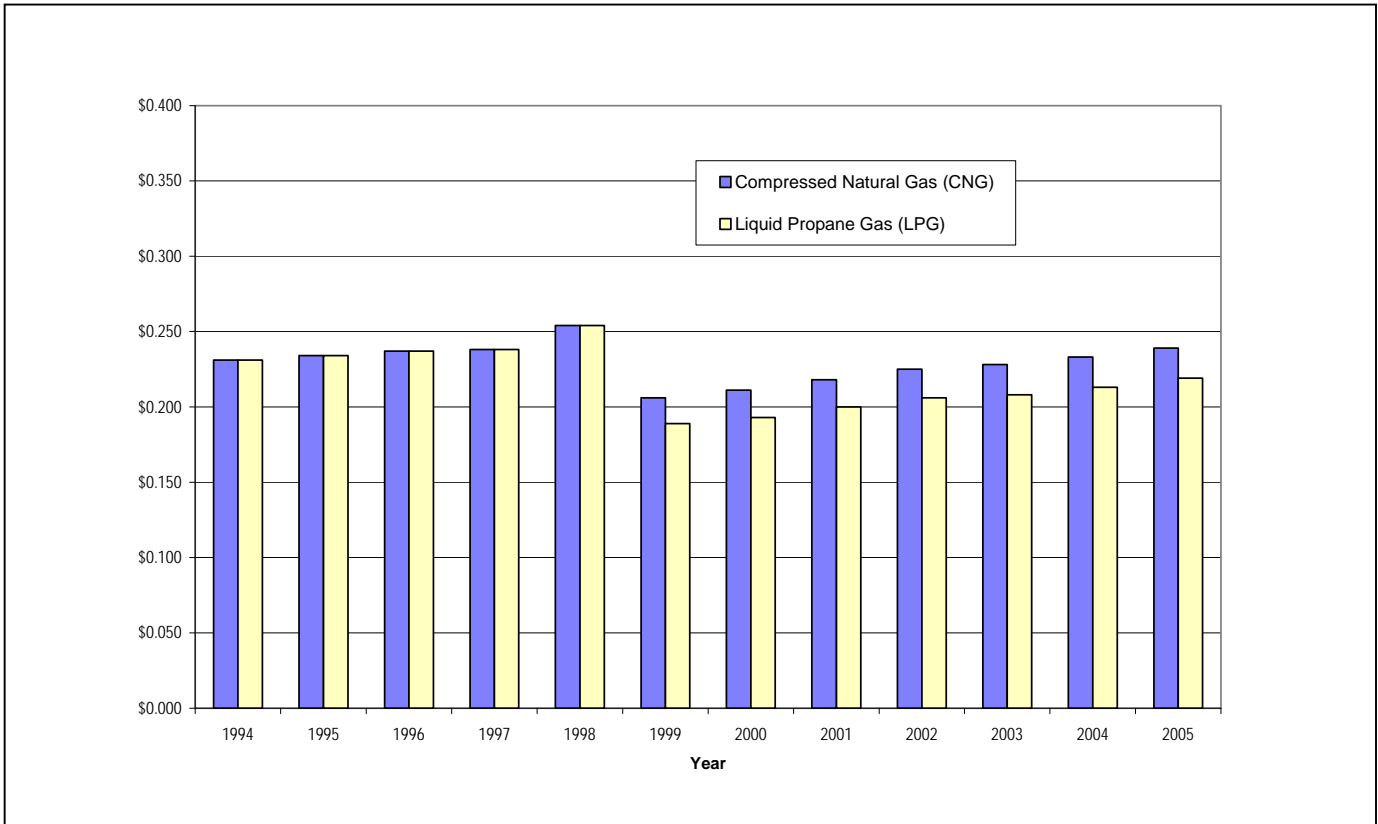
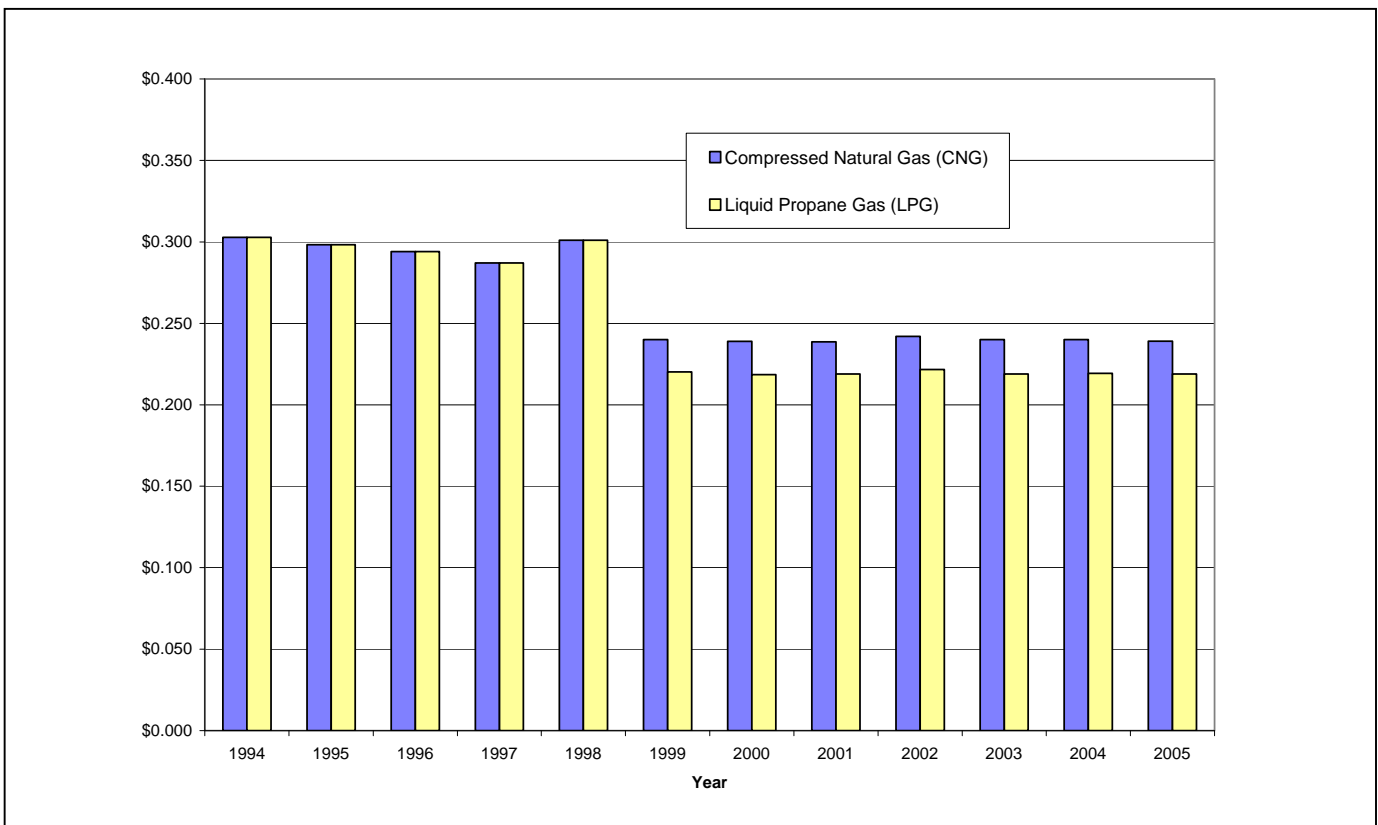


Figure FTR-3.2: State Alternate Fuels Tax Rate (constant 2005 \$, cents per gallon)



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FUEL TAX AS A STATE REVENUE SOURCE

In FY 78, the **Executive Budget Act (1977 Wisconsin Act 29)** consolidated the Wisconsin Highway Fund, the Mass Transportation Aids Fund, and certain General Fund accounts reserved for aeronautics into the unified, multimodal, Transportation Fund.¹¹ Several other changes in the statutes during the late 1970s and early 80s directed aviation fuel taxes and the railroad property tax to the new Transportation Fund.

Motor vehicle fuel tax revenues grew from 58.2% of the Transportation Fund's state revenue sources in FY 78, to 65% when fuel tax indexing was implemented in FY 85. Since fuel tax indexing was implemented in FY 85, motor vehicle fuel tax revenues have remained about 65% of Transportation Fund state revenue sources.

TRENDS – TRANSPORTATION FUND REVENUE GROWTH RATES

Taxes on gasoline and diesel fuel accounted for \$176.6 million of the total \$303.3 million in state revenue deposited into the Transportation Fund in FY 78. The remaining amount was primarily state-imposed user fees, including vehicle registration fees, motor carrier fees, and operators and chauffeurs license fees.

- Between FY 78 and FY 84, motor vehicle fuel tax revenues increased 94.3% in nominal dollars, or 19.5% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 11.7%, or 3% annually when adjusted for inflation.
- Between FY 85 and FY 05, motor vehicle fuel tax revenues increased 158.9% in nominal dollars, or 42.9% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 4.9%, or 1.8% annually when adjusted for inflation.
- Between FY 78 and FY 05 motor vehicle fuel tax revenues in the Transportation Fund have increased by 441% in nominal dollars, or 76.8% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 6.5%, or 2.1% annually when adjusted for inflation.

The Transportation Fund's other sources of state tax revenue have had mixed growth rates since FY 85, the year fuel tax indexing was implemented:

¹¹ Wisconsin Legislative Reference Bureau (January 1980), "The Taxation and Financing of Transportation in Wisconsin: An Overview of Intermodal Tax Relationships," Research Bulletin 80-RB-2, pp. 13-14.

SECTION 2: FUEL TAX AS A STATE REVENUE SOURCE

- Air carrier tax revenue -- increased 108.1% in nominal dollars, or 14.9% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 3.7%, or 0.7% annually when adjusted for inflation.
- Aviation fuel tax -- increased 67.6% in nominal dollars, a loss of -7.5% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 2.6%, but a loss of -0.4% annually when adjusted for inflation.
- Railroad property tax -- increased 225.6% in nominal dollars, or 12.8% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 6.1%, or 3% annually when adjusted for inflation.

These other taxes only contribute minor amounts to the Transportation Fund. For example, in FY 05 a penny of tax on a gallon of general aviation fuel generated about \$250,000, compared to \$32 million from a gallon of motor vehicle fuel.

SECTION 2: FUEL TAX AS A STATE REVENUE SOURCE

Figure TF-1: Transportation Fund State Revenue Sources, FY 1978

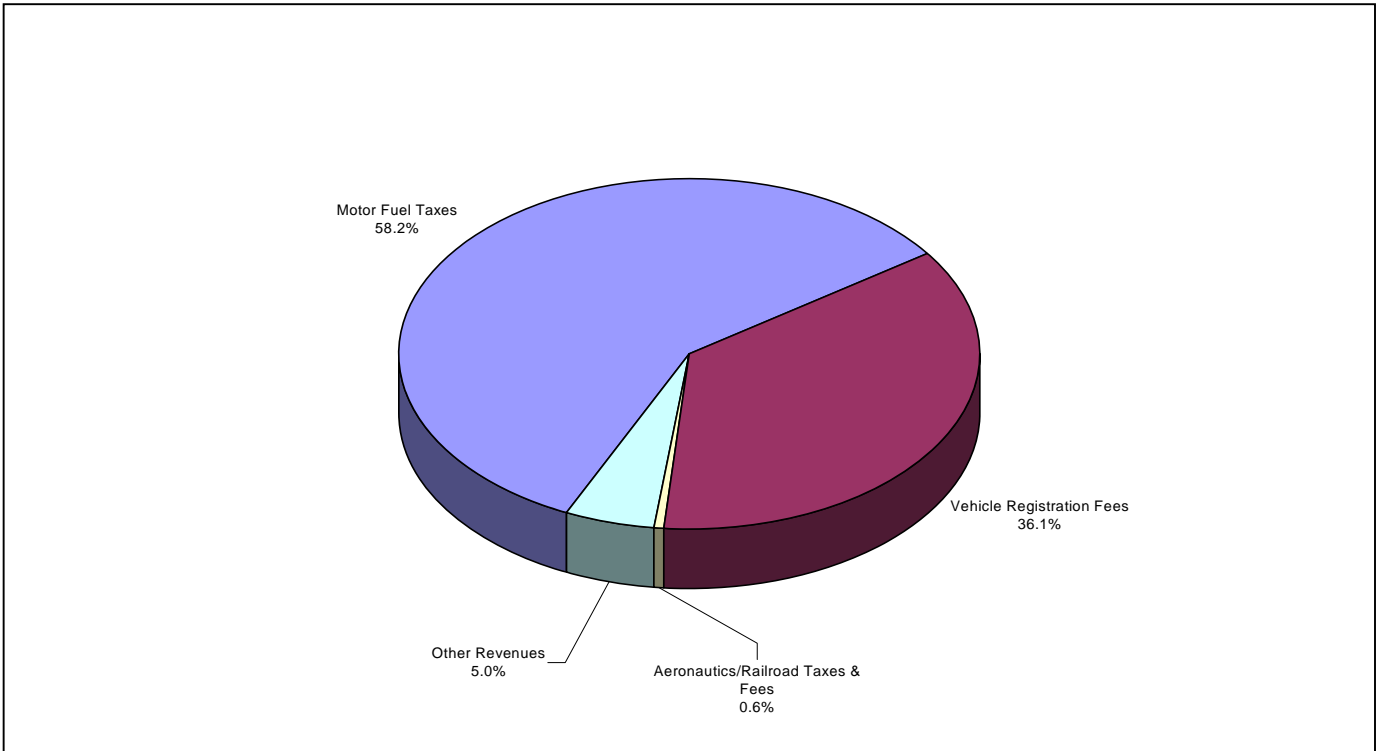


Figure TF-1.1: Transportation Fund State Revenue Sources, FY 1985

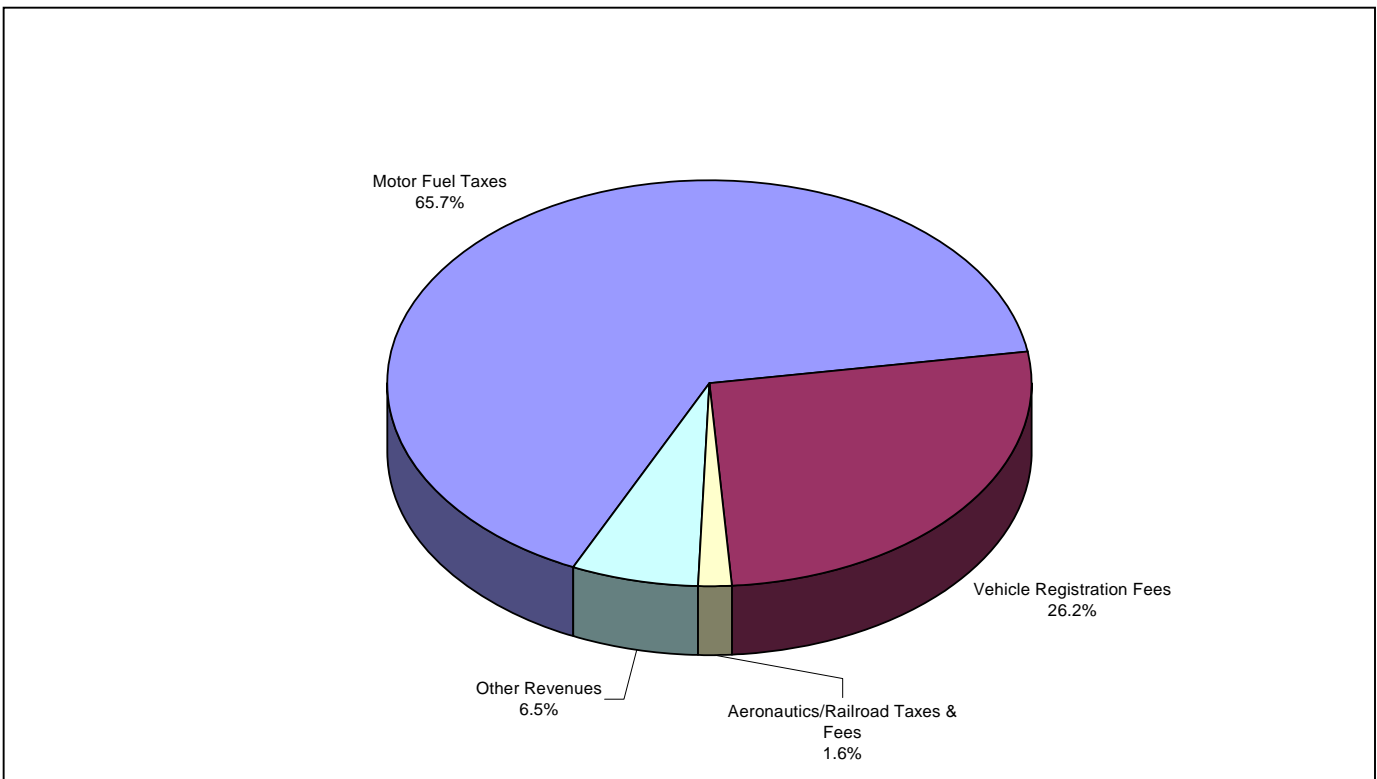
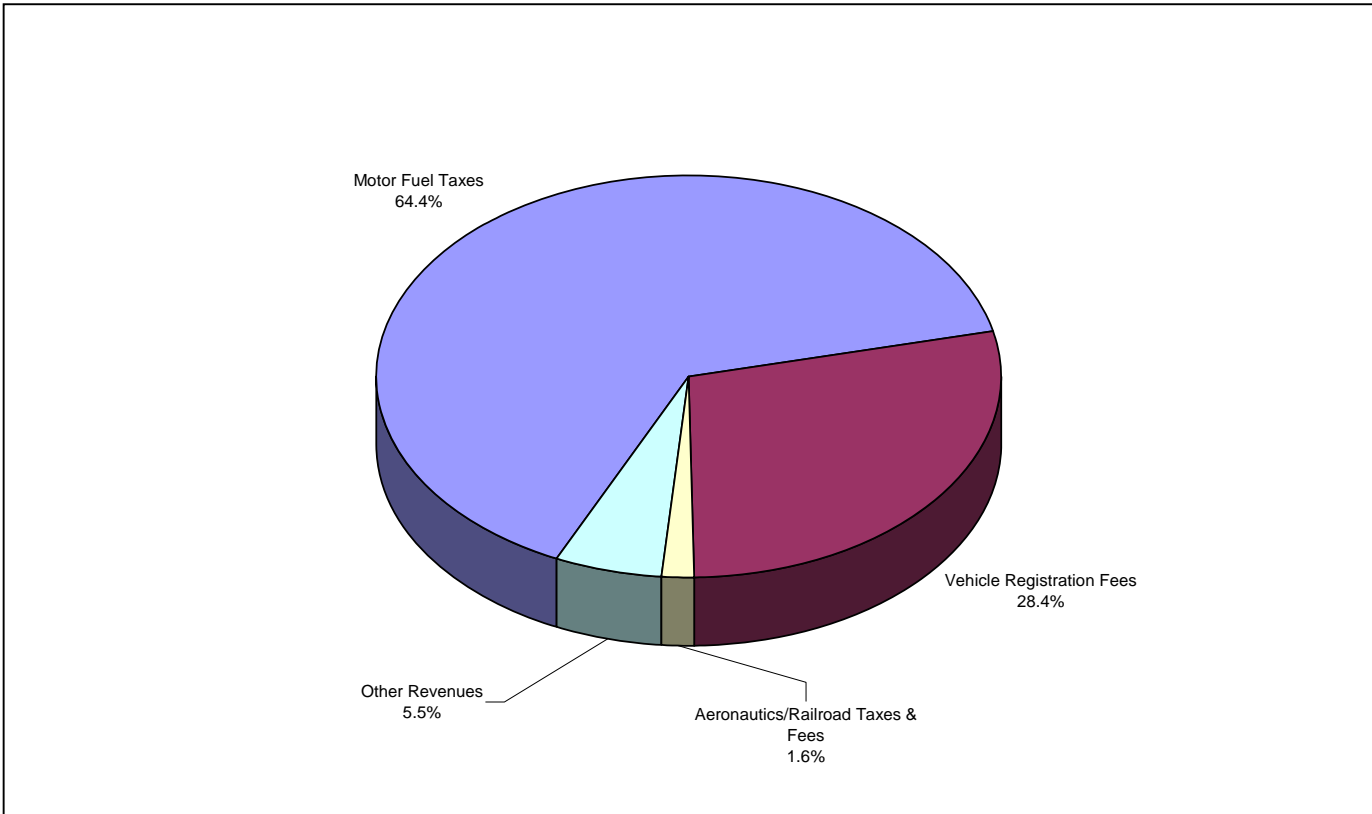


Figure TF-1.2: *Transportation Fund State Revenue Sources, FY 2005*



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SECTION 2: FUEL TAX AS A STATE REVENUE SOURCE

Table-TF-2: Transportation Fund Taxes (millions)

State Fiscal Year	Nominal \$								Constant 2005 \$						
	Motor Fuel	Annual % Change	Aviation Fuel	Annual % Change	Air Carrier	Annual % Change	Railroad	Annual % Change	Motor Fuel	Annual % Change	Aviation Fuel	Annual % Change	Air Carrier	Annual % Change	Railroad
1978	176.60				1.68				540.45				5.16		
1979	183.71	4.0%			1.67	-1.0%	3.29		513.93	-4.9%			4.67	-9.5%	9.20
1980	195.87	6.6%			1.96	17.3%	3.13	-4.7%	483.69	-5.9%			4.83	3.5%	7.74
1981	209.61	7.0%			1.60	-18.0%	2.09	-33.3%	463.79	-4.1%			3.55	-26.5%	4.63
1982	285.38	36.2%	0.32		1.99	24.4%	3.15	50.7%	581.00	25.3%	0.66		4.06	14.4%	6.42
1983	286.84	0.5%	0.73	127.2%	2.26	13.5%	3.20	1.5%	560.03	-3.6%	1.43	117.9%	4.42	8.8%	6.25
1984	343.05	19.6%	0.85	15.7%	1.89	-16.6%	5.75	79.8%	645.86	15.3%	1.59	11.6%	3.56	-19.5%	10.83
1985	369.12	7.6%	0.90	6.2%	2.80	48.0%	4.90	-14.8%	668.72	3.5%	1.63	2.2%	5.07	42.5%	8.88
1986	388.50	5.3%	1.02	13.4%	3.12	11.6%	4.88	-0.4%	683.96	2.3%	1.79	10.2%	5.49	8.4%	8.59
1987	417.38	7.4%	1.14	12.2%	3.56	14.1%	5.33	9.3%	719.07	5.1%	1.97	9.8%	6.13	11.6%	9.19
1988	490.39	17.5%	0.93	-18.7%	5.50	54.5%	5.39	1.1%	811.36	12.8%	1.54	-21.9%	9.10	48.4%	8.92
1989	516.82	5.4%	0.85	-8.6%	5.79	5.2%	5.78	7.2%	817.68	0.8%	1.34	-12.6%	9.16	0.6%	9.14
1990	528.22	2.2%	0.94	10.7%	7.20	24.4%	8.19	41.8%	797.53	-2.5%	1.42	5.6%	10.87	18.7%	12.37
1991	545.66	3.3%	0.85	-10.1%	8.64	20.0%	7.32	-10.6%	781.05	-2.1%	1.21	-14.8%	12.37	13.8%	10.48
1992	567.93	4.1%	1.00	18.1%	9.27	7.3%	7.78	6.3%	787.78	0.9%	1.39	14.4%	12.86	4.0%	10.80
1993	589.43	3.8%	0.91	-9.3%	7.79	-16.0%	8.02	3.1%	792.83	0.6%	1.22	-12.1%	10.47	-18.6%	10.79
1994	634.63	7.7%	1.00	10.7%	9.45	21.3%	8.60	7.2%	831.79	4.9%	1.31	7.9%	12.38	18.2%	11.27
1995	651.19	2.6%	1.00	0.0%	9.54	1.0%	12.80	48.8%	829.85	-0.2%	1.28	-2.8%	12.16	-1.8%	16.31
1996	672.52	3.3%	1.01	0.6%	8.72	-8.6%	25.16	96.5%	834.29	0.5%	1.25	-2.1%	10.81	-11.1%	31.21
1997	692.89	3.0%	1.08	7.2%	8.72	0.0%	12.27	-51.2%	835.81	0.2%	1.31	4.3%	10.52	-2.7%	14.80
1998	740.21	6.8%	1.48	36.4%	6.33	-27.4%	10.03	-18.2%	877.15	4.9%	1.75	34.0%	7.50	-28.7%	11.89
1999	797.02	7.7%	1.35	-8.3%	8.56	35.1%	12.06	20.2%	928.41	5.8%	1.58	-9.8%	9.97	32.8%	14.05
2000	809.46	1.6%	1.28	-5.2%	8.20	-4.2%	11.53	-4.4%	916.48	-1.3%	1.45	-7.9%	9.28	-6.9%	13.05
2001	827.47	2.2%	1.25	-2.6%	5.45	-33.5%	1.26	-89.1%	905.79	-1.2%	1.37	-5.8%	5.96	-35.7%	1.37
2002	865.45	4.6%	1.23	-1.9%	5.65	3.8%	12.01	856.3%	931.07	2.8%	1.32	-3.6%	6.08	2.0%	12.92
2003	902.48	4.3%	1.31	7.0%	5.45	-3.6%	12.46	3.7%	949.89	2.0%	1.38	4.7%	5.73	-5.7%	13.11
2004	934.60	3.6%	1.35	2.7%	8.20	50.5%	11.92	-4.3%	962.65	1.3%	1.39	0.5%	8.44	47.3%	12.28
2005	955.55	2.2%	1.51	11.7%	5.82	-29.0%	15.95	33.8%	955.55	-0.7%	1.51	8.5%	5.82	-31.1%	15.95
Total % Change 1978 to 1984	94.3%		N/A		12.1%		N/A		19.5%		N/A		-31.0%		N/A
Compound Annual Growth Rate		11.7%		N/A		1.9%		N/A		3.0%		N/A		-6.0%	
Total % Change 1985 to 2005	158.9%		67.6%		108.1%		225.6%		42.9%		-7.5%		14.9%		79.7%
Compound Annual Growth Rate		4.9%		2.6%		3.7%		6.1%		1.8%		-0.4%		0.7%	
Total % Change 1978 to 2005	441.1%		N/A		245.3%		N/A		76.8%		N/A		12.8%		N/A
Compound Annual Growth Rate		6.5%		N/A		4.7%		N/A		2.1%		N/A		0.4%	

SECTION 2: FUEL TAX AS A STATE REVENUE SOURCE

Figure TF-2.1: Transportation Fund Taxes (nominal \$, millions)

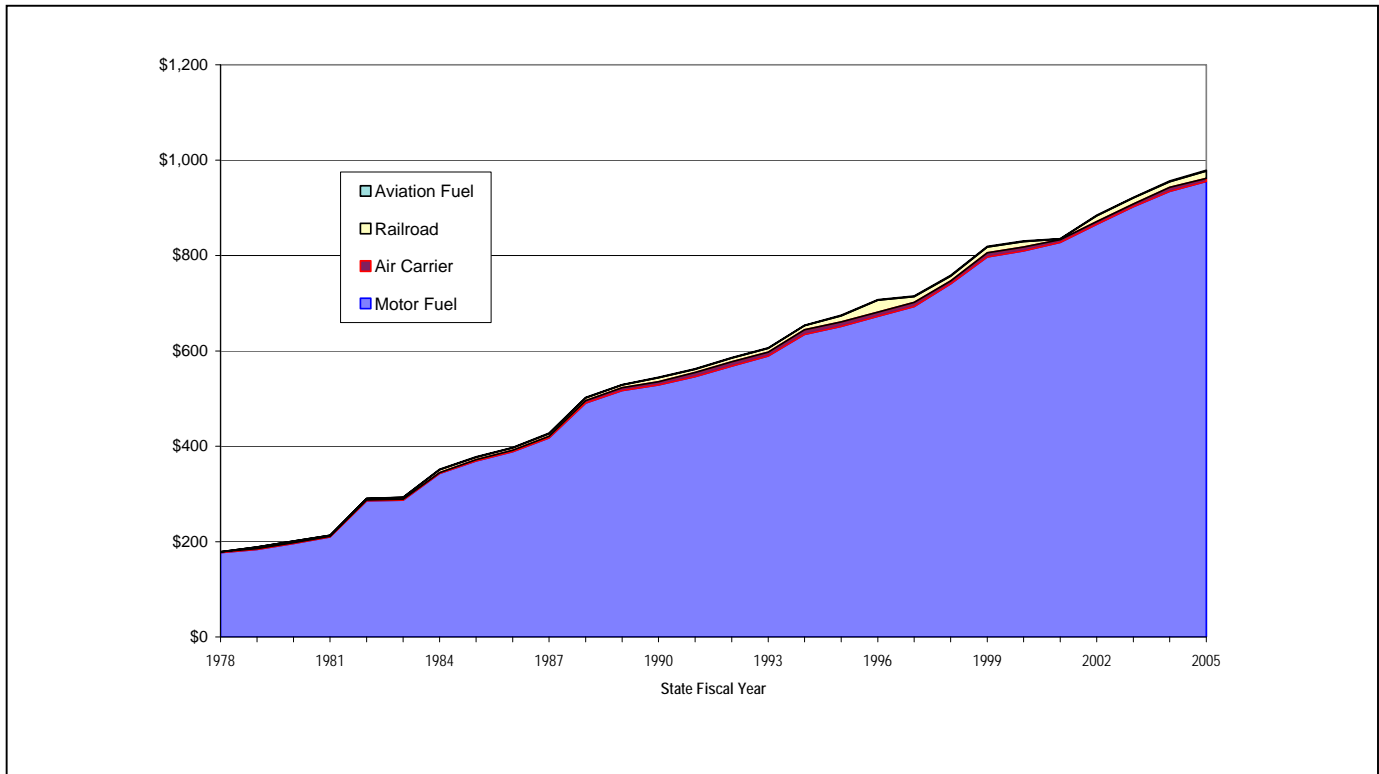
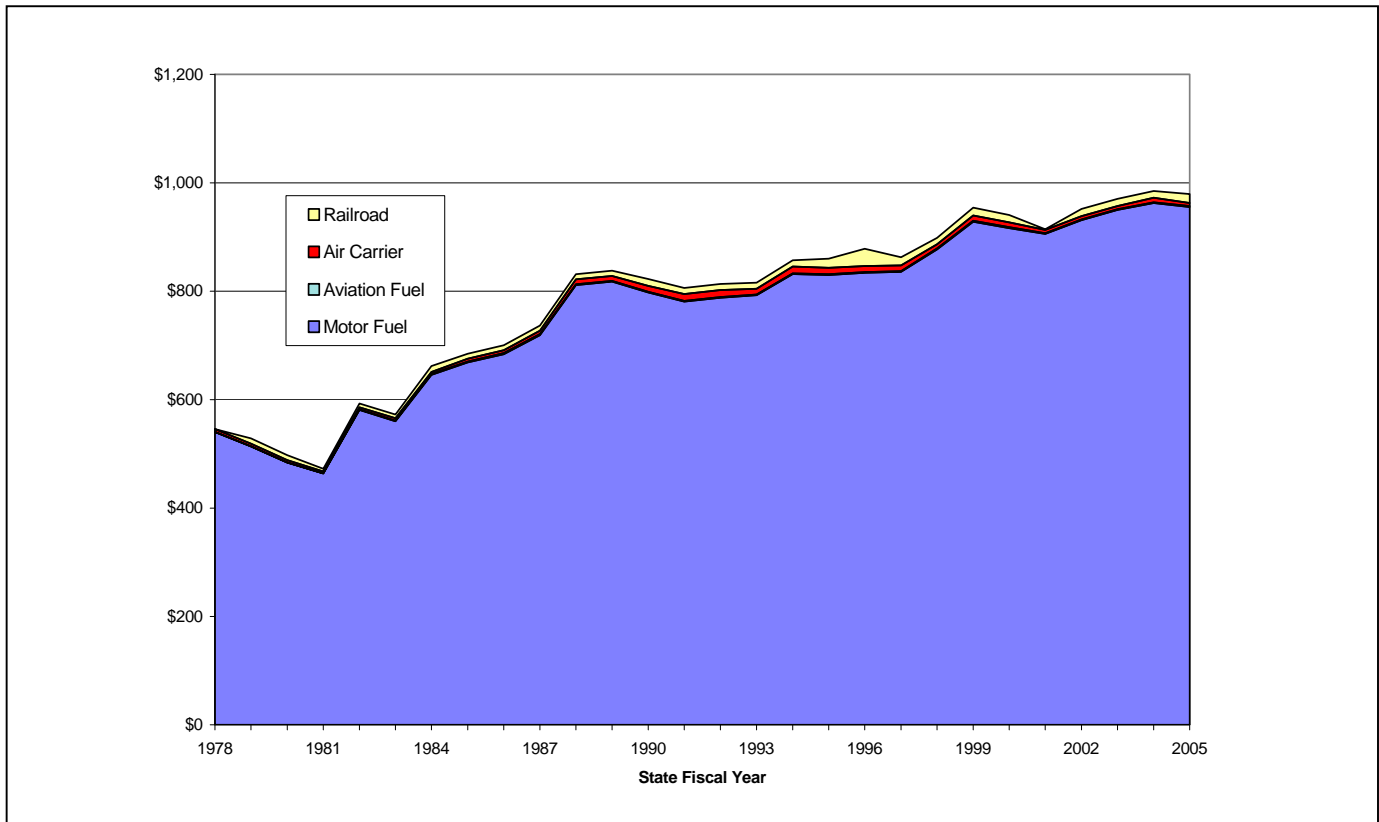


Figure TF-2.2: Transportation Fund Taxes (constant 2005 \$, millions)



SECTION 2: FUEL TAX AS A STATE REVENUE SOURCE

Table REV-1: Motor Vehicle Fuel Tax Revenue

State Fiscal Year	Nominal \$		Constant 2005 \$	
	Motor Fuel Tax Revenue	Annual % Change	Motor Fuel Tax Revenue	Annual % Change
1978	176.60		540.45	
1979	183.71	4.0%	513.93	-4.9%
1980	195.87	6.6%	483.69	-5.9%
1981	209.61	7.0%	463.79	-4.1%
1982	285.38	36.2%	581.00	25.3%
1983	286.84	0.5%	560.03	-3.6%
1984	343.05	19.6%	645.86	15.3%
1985	369.12	7.6%	668.72	3.5%
1986	388.50	5.3%	683.96	2.3%
1987	417.38	7.4%	719.07	5.1%
1988	490.39	17.5%	811.36	12.8%
1989	516.82	5.4%	817.68	0.8%
1990	528.22	2.2%	797.53	-2.5%
1991	545.66	3.3%	781.05	-2.1%
1992	567.93	4.1%	787.78	0.9%
1993	589.43	3.8%	792.83	0.6%
1994	634.63	7.7%	831.79	4.9%
1995	651.19	2.6%	829.85	-0.2%
1996	672.52	3.3%	834.29	0.5%
1997	692.89	3.0%	835.81	0.2%
1998	740.21	6.8%	877.15	4.9%
1999	797.02	7.7%	928.41	5.8%
2000	809.46	1.6%	916.48	-1.3%
2001	827.47	2.2%	905.79	-1.2%
2002	865.45	4.6%	931.07	2.8%
2003	902.48	4.3%	949.89	2.0%
2004	934.60	3.6%	962.65	1.3%
2005	955.55	2.2%	955.55	-0.7%
Total % Change 1978 to 1984 Compound Annual Growth Rate	94.3%	11.7%	19.5%	3.0%
Total % Change 1985 to 2005 Compound Annual Growth Rate	158.9%	4.9%	42.9%	1.8%
Total % Change 1978 to 2005 Compound Annual Growth Rate	441.1%	6.5%	76.8%	2.1%

SECTION 2: FUEL TAX AS A STATE REVENUE SOURCE

Figure REV-1.1: Motor Vehicle Fuel Tax Revenue (nominal \$, millions)

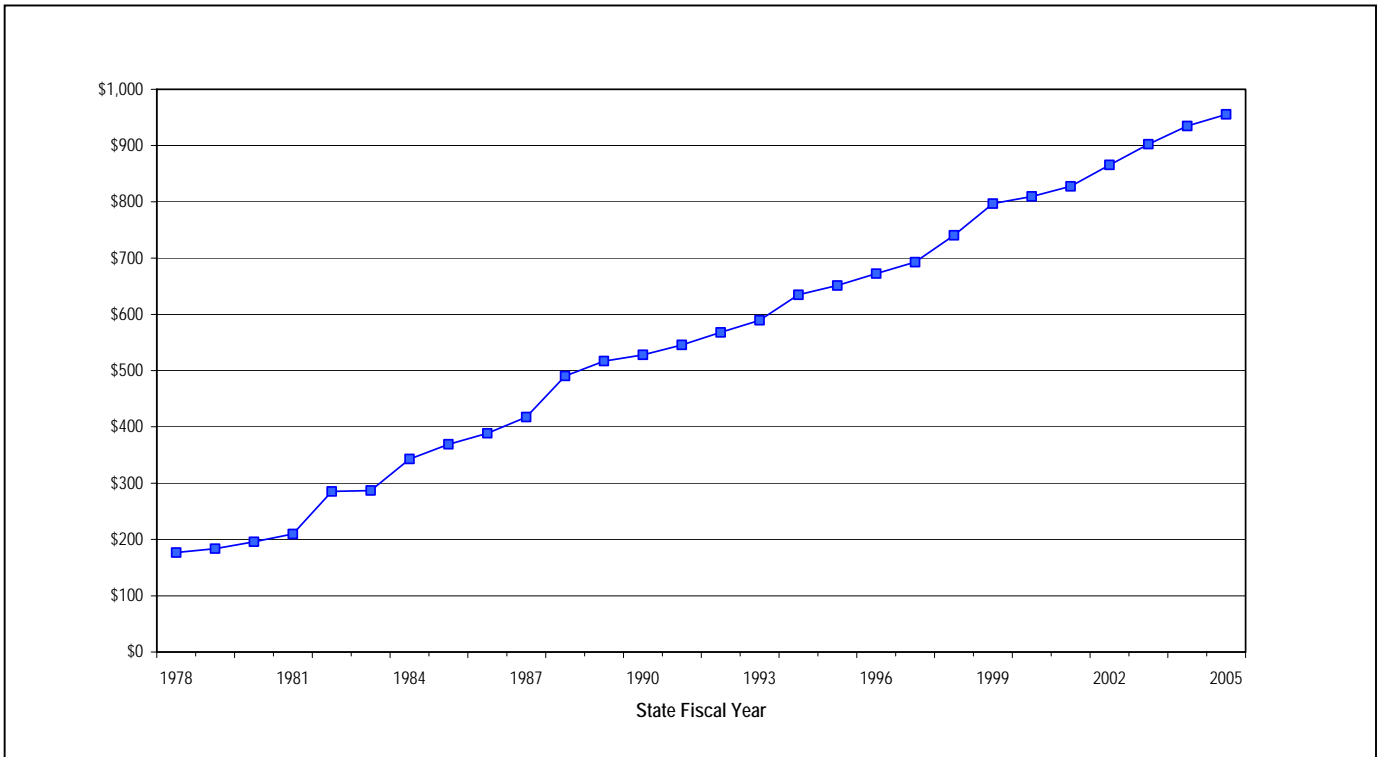


Figure REV-1.2: Motor Vehicle Fuel Tax Revenue (constant 2005 \$, millions)

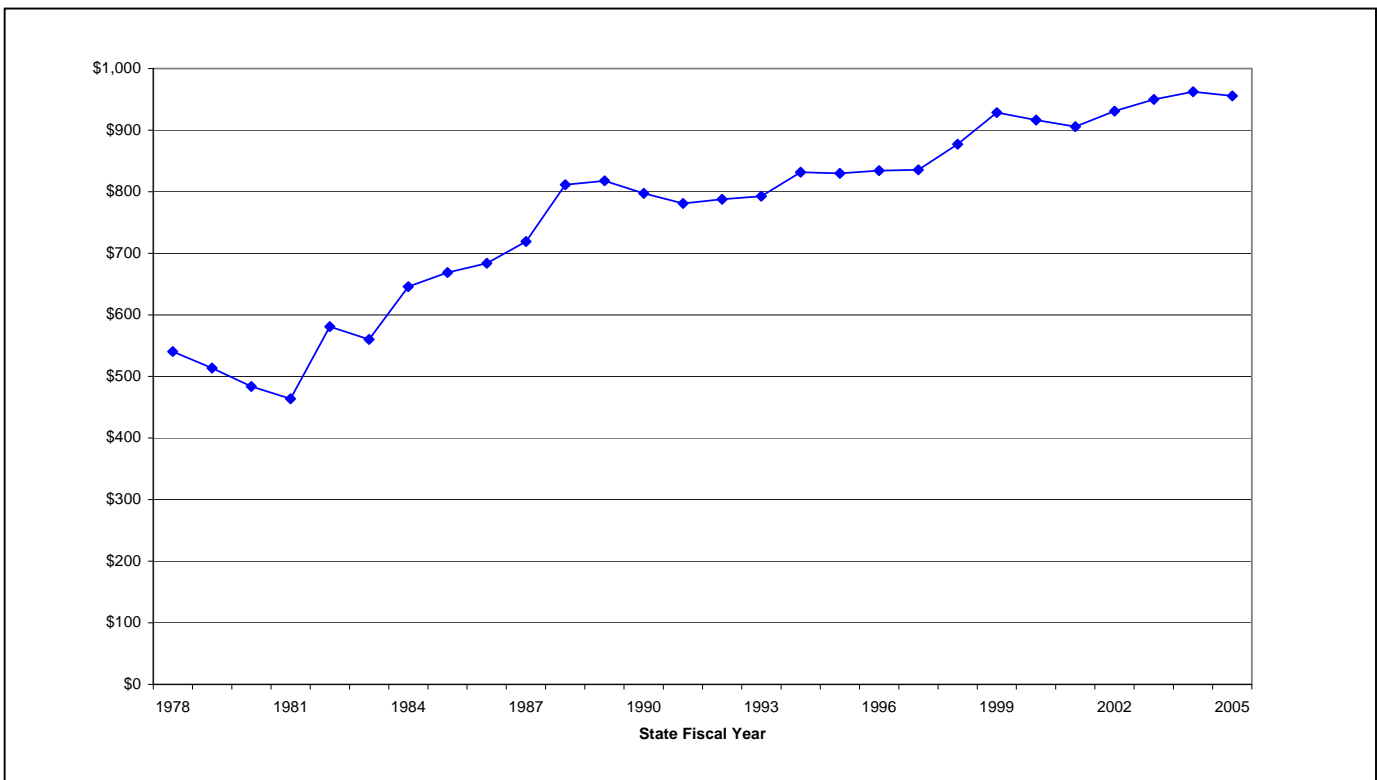


Table REV-2: General Aviation Fuel Tax Revenue (millions)

State Fiscal Year	Nominal \$		Constant 2005 \$	
	Aviation Fuel Tax Revenue	Annual % Change	Aviation Fuel Tax Revenue	Annual % Change
1982	0.32		0.66	
1983	0.73	127.2%	1.43	117.9%
1984	0.85	15.7%	1.59	11.6%
1985	0.90	6.2%	1.63	2.2%
1986	1.02	13.4%	1.79	10.2%
1987	1.14	12.2%	1.97	9.8%
1988	0.93	-18.7%	1.54	-21.9%
1989	0.85	-8.6%	1.34	-12.6%
1990	0.94	10.7%	1.42	5.6%
1991	0.85	-10.1%	1.21	-14.8%
1992	1.00	18.1%	1.39	14.4%
1993	0.91	-9.3%	1.22	-12.1%
1994	1.00	10.7%	1.31	7.9%
1995	1.00	0.0%	1.28	-2.8%
1996	1.01	0.6%	1.25	-2.1%
1997	1.08	7.2%	1.30	4.2%
1998	1.48	36.5%	1.75	34.1%
1999	1.35	-8.2%	1.58	-9.8%
2000	1.28	-5.3%	1.45	-7.9%
2001	1.25	-2.6%	1.37	-5.8%
2002	1.27	1.3%	1.36	-0.4%
2003	1.31	3.6%	1.38	1.4%
2004	1.35	2.8%	1.39	0.6%
2005	1.51	11.8%	1.51	8.5%
Total % Change 1982 to 1984 Compound Annual Growth Rate	162.8%	62.1%	143.1%	55.9%
Total % Change 1985 to 2005 Compound Annual Growth Rate	67.6%	2.6%	-7.5%	-0.4%
Total % Change 1982 to 2005 Compound Annual Growth Rate	367.8%	6.9%	129.8%	3.7%

Figure REV-2.1: General Aviation Fuel Tax Revenue (nominal \$, millions)

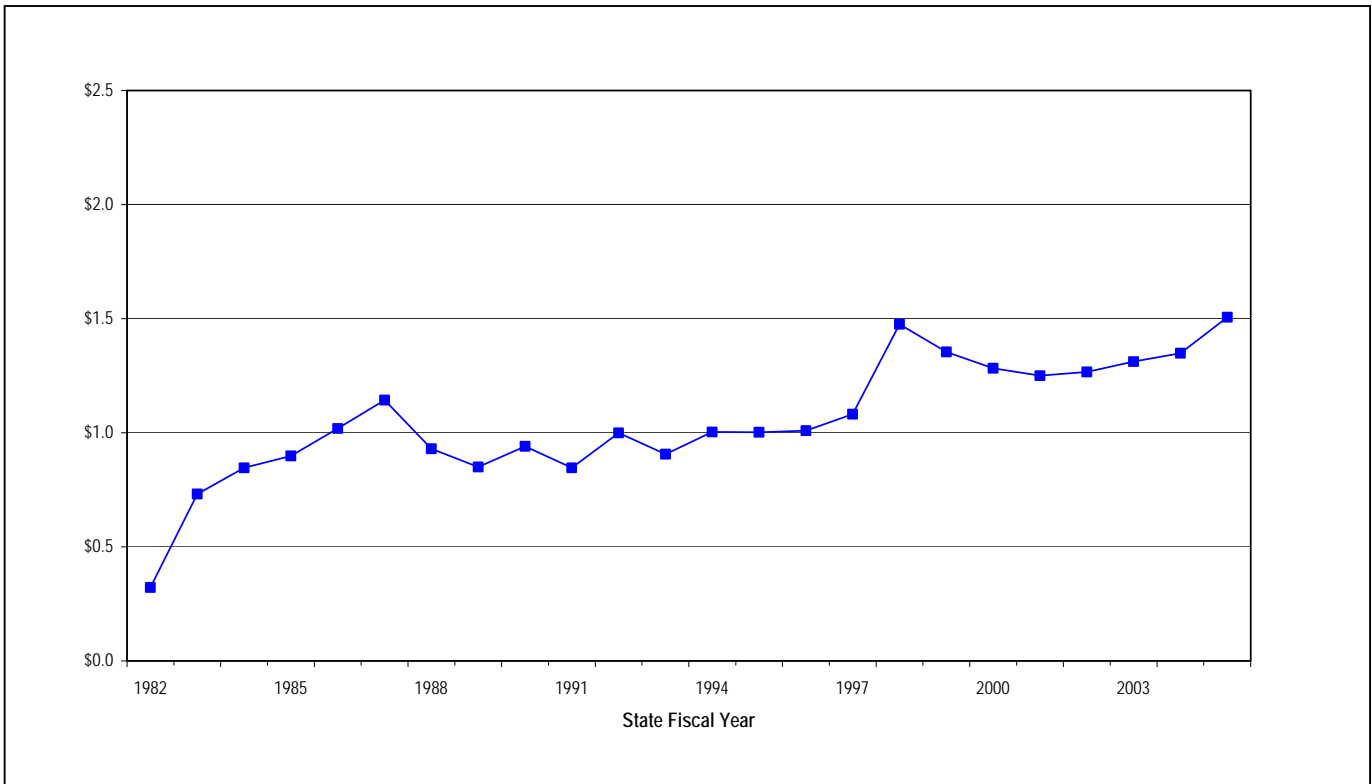


Figure REV-2.2: General Aviation Fuel Tax Revenue (constant 2005 \$, millions)

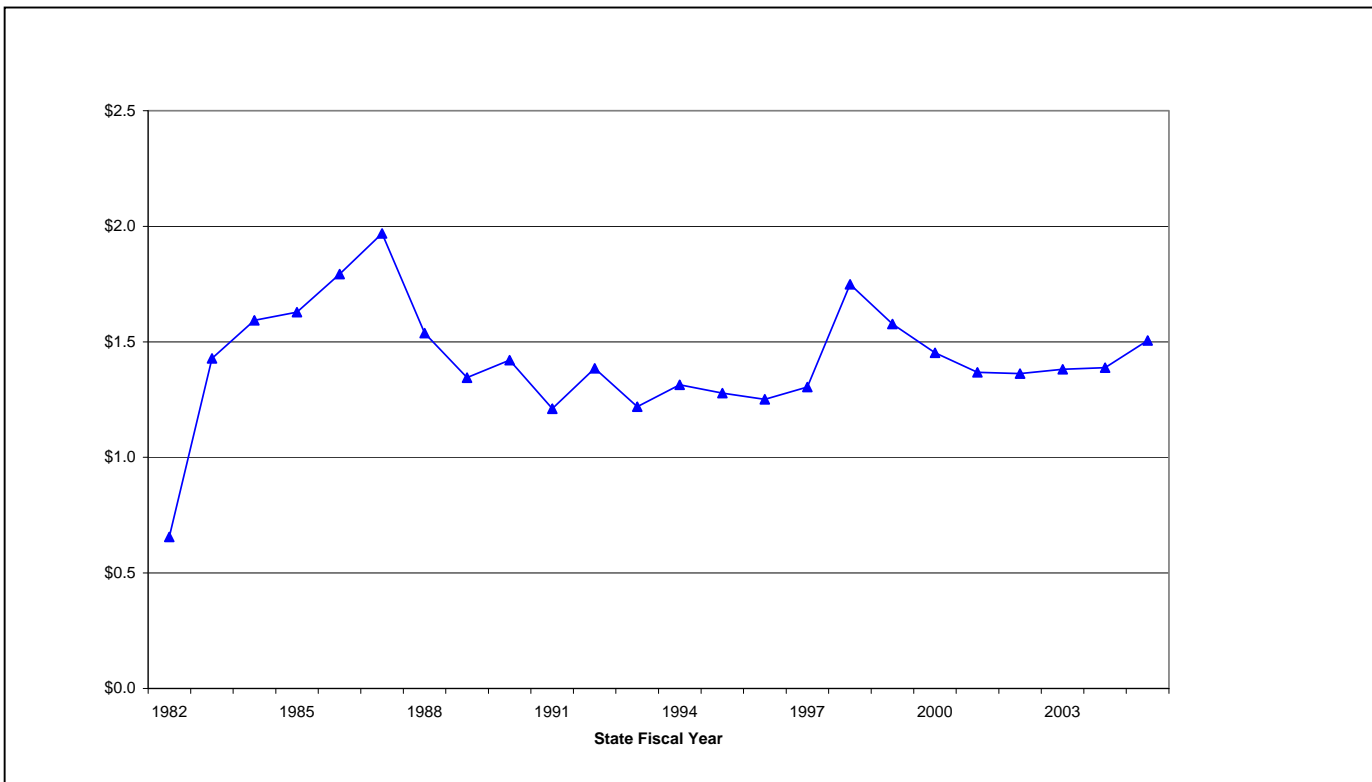
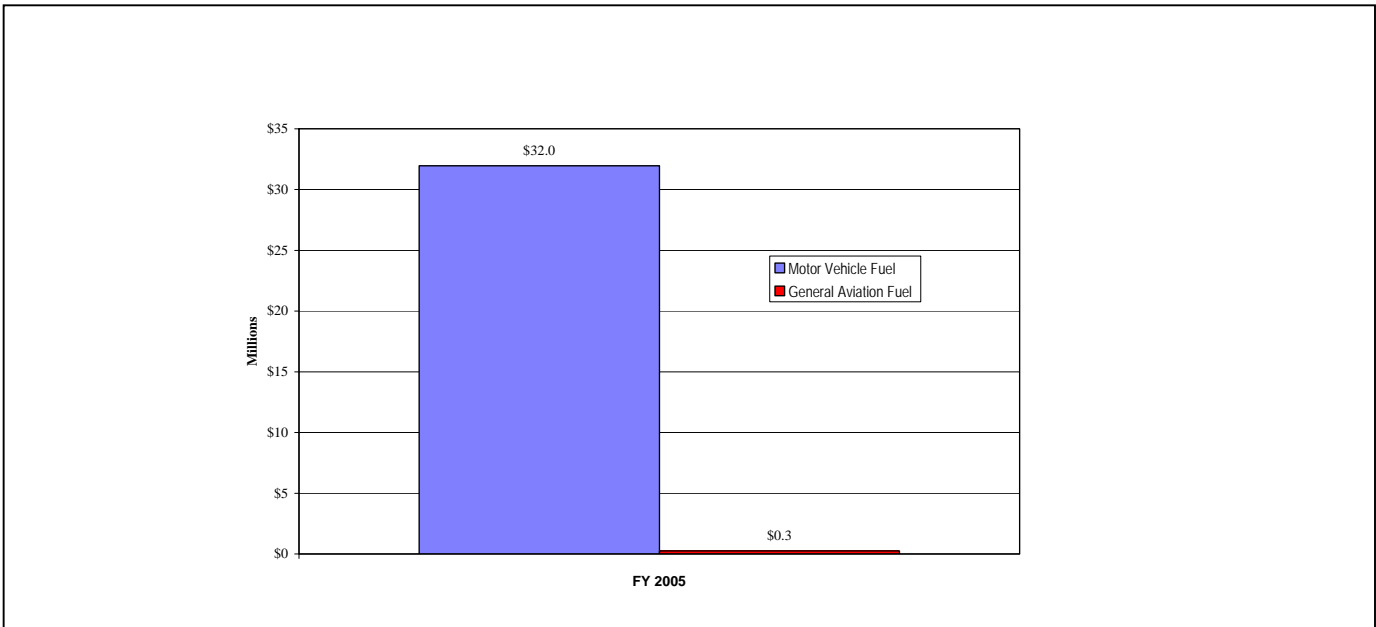


Table REV-3: State Fuel Tax Revenue per Penny of Tax (FY 05)¹²

Fuel Type	Tax per Gallon (cents)	Revenue (millions)	Revenue Per Penny (millions)
Motor Vehicle Fuel	29.9	955.55	31.96
General Aviation Fuel	6.0	1.51	0.25

Figure REV-3.1: State Fuel Tax Revenue per Penny of Tax (FY 05)



¹² Alternate fuels revenues are mingled with motor vehicle fuel revenues and are estimated at \$0.77 million, or \$0.03 million per penny of tax.

3

FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

In FY 78, the year the Transportation Fund was created, fuel tax revenues from gasoline and diesel fuel accounted for 2.9% of state government revenue from all sources, including taxes, fees, program revenues and other sources. Considering only state tax revenue sources, gasoline and diesel fuel accounted for 6% of state tax revenue.

In FY 05, motor vehicle fuel taxes accounted for 2.6% of state revenue from all sources, and 7.6% of all state tax revenues.

As such, in FY 05 motor vehicle fuel taxes represent a diminished share of government revenues from all sources compared to FY 78, but an increased share of state tax revenue.

Between FY 78 and FY 84 (before implementation of fuel tax indexing):

- State revenues from all sources (excluding tax revenue from motor vehicle fuel) increased 72.4% in nominal dollars, or 6% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 9.5%, or a 1% annual increase when adjusted for inflation.
- State tax revenues (excluding tax revenue from motor vehicle fuel) increased 64.7% in nominal dollars, or 1.3% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 8.7%, or a 0.2% annual increase when adjusted for inflation.
- Motor vehicle fuel tax revenues increased 94.3% in nominal dollars, or 19.5% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 11.7%, or a 3% annual increase when adjusted for inflation.

Between FY 85 and FY 05 (after implementation of fuel tax indexing):

- State revenues from all sources (excluding tax revenue from motor vehicle fuel) increased 208.2% in nominal dollars, or 70.1% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 5.8%, or a 2.7% annual increase when adjusted for inflation.

- State tax revenues (excluding tax revenue from motor vehicle fuel) increased 159.2% in nominal dollars, or 43.1% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 4.9%, or a 1.8% annual increase when adjusted for inflation.
- Motor vehicle fuel tax revenues increased 158.9% in nominal dollars, or 42.9% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 4.9%, or a 1.8% annual increase when adjusted for inflation.

Between FY 78 and FY 05 (after creation of the Transportation Fund):

- State revenues from all sources (excluding tax revenue from motor vehicle fuel) increased 507.2% in nominal dollars, or 98.4% in 2005 constant dollars. This is equivalent to an annual nominal dollar increase of 6.9%, or a 2.6% annual increase when adjusted for inflation.
- State tax revenues (excluding tax revenue from motor vehicle fuel) increased 319.3% in nominal dollars, or 37% in 2005 constant dollars. This is equivalent to an annual nominal dollar increase of 5.5%, or a 1.2% annual increase when adjusted for inflation.
- Motor vehicle fuel tax revenues increased 441.1% in nominal dollars, or 76.8% in constant 2005 dollars. This is equivalent to an annual nominal dollar increase of 6.5%, or a 2.1% annual increase when adjusted for inflation.

TRENDS – OTHER STATE TAX REVENUES

As the motor vehicle fuel tax share of all state tax revenues increased, the share attributable to the individual income taxes decreased from 44.9% in FY 78, to 41.4% in FY 85 and FY 05. Meanwhile, sales and use tax revenues increased from 25.8% of state tax revenue in FY 78 to 29.9% in FY 85, and 32.1% in FY 05.

During these periods, most other significant sources of state tax revenue have decreased as a percentage of total state tax revenue:

- Corporate income tax revenues decreased from 9.7% of state tax revenue in FY 78 and 8.5% in FY 85, to 6.1% of state tax revenues in FY 05.
- Public utility tax revenues decreased from 5% of state tax revenue in FY 78, increased slightly to 5.1% in FY 85, before dropping to 2% of state tax revenues in FY 05.¹³
- Cigarette and tobacco tax revenues decreased from 2.9% of state tax revenue in FY 78 and 2.7% in FY 85, to 2.5% of state tax revenues in FY 05.
- Liquor, wine and beer tax revenues decreased from 1.4% of state tax revenue in FY 78 and 0.9% in FY 85, to 0.4% of state tax revenues in FY 05.

TRENDS -- OTHER STATE TAX REVENUE GROWTH RATES

Between FY 78 and FY 84 (before implementation of fuel tax indexing):

- Individual income tax revenue increased 64.7% in nominal dollars, or 1.3% in constant 2005 dollars. This is equivalent to an 8.7% annual growth rate in nominal dollars, or a 0.2% annual increase when adjusted for inflation.

¹³ Public utility taxes are amounts in lieu of local property taxes paid by light, heat, power, electric, and telephone and pipeline companies. Private light, heat, power and telephone companies provide most of the state's utility tax revenues.

- Sales and use tax revenue increased 80.3% in nominal dollars, or 10.9% in constant 2005 dollars. This is equivalent to a 10.3% annual growth rate in nominal dollars, or a 1.7% annual increase when adjusted for inflation.
- Corporate income tax revenues increased 38.1% in nominal dollars, but decreased -15.1% in constant 2005 dollars. This is equivalent to a 5.5% annual growth rate in nominal dollars, or a -2.7% annual decrease when adjusted for inflation.
- Public utility tax revenues increased 84.2% in nominal dollars, or a 13.3% increase in constant 2005 dollars. This is equivalent to a 10.7% annual growth rate in nominal dollars, or 2.1% annual increase when adjusted for inflation.
- Cigarette and tobacco tax revenues increased 49.1% in nominal dollars, but decreased -8.3% in constant 2005 dollars. This is equivalent to a 6.9% annual growth rate in nominal dollars, but a -1.4% annual decrease when adjusted for inflation.
- Beer, wine and liquor tax revenues increased 6.3% in nominal dollars, but decreased -34.6% in constant 2005 dollars. This is equivalent to a 1% annual growth rate in nominal dollars, but a -6.8% annual decrease when adjusted for inflation.

Between FY 85 and FY 05 (after implementation of fuel tax indexing):

- Individual income tax revenue increased 181.2% in nominal dollars, or 55.2% in constant 2005 dollars. This is equivalent to a 5.3% annual growth rate in nominal dollars, or a 2.2% annual increase when adjusted for inflation.
- Sales and use tax revenue increased 177.9% in nominal dollars, or 53.4% in constant 2005 dollars. This is equivalent to a 5.2% annual growth rate in nominal dollars, or a 2.2% annual increase when adjusted for inflation.
- Corporate income tax revenues increased 84.7% in nominal dollars, or 2% in constant 2005 dollars. This is equivalent to a 3.1% annual growth rate in nominal dollars, or a 0.1% annual increase when adjusted for inflation.
- Public utility tax revenues increased 2% in nominal dollars, but decreased -43.7% in constant 2005 dollars. This is equivalent to a 0.1% annual growth rate in nominal dollars, but a -2.8% annual decrease when adjusted for inflation.
- Cigarette and tobacco tax revenues increased 139.7% in nominal dollars, or 32.3% in constant 2005 dollars. This is equivalent to a 4.5% annual growth rate in nominal dollars, but a 1.4% annual decrease when adjusted for inflation.
- Beer, wine and liquor tax revenues increased 12.4% in nominal dollars, but decreased -38% in constant 2005 dollars. This is equivalent to a 0.6% annual growth rate in nominal dollars, but a -2.4% annual decrease when adjusted for inflation.

Between FY 78 and FY 05 (after creation of the Transportation Fund):

- Individual income tax revenue increased 326.5% in nominal dollars, or 39.4% in constant 2005 dollars. This is equivalent to a 5.5% annual growth rate in nominal dollars, or a 1.2% annual increase when adjusted for inflation.
- Sales and use tax revenue increased 429.9% in nominal dollars, or 73.1% in constant 2005 dollars. This is equivalent to a 6.4% annual growth rate in nominal dollars, or a 2.1% annual increase when adjusted for inflation.
- Corporate income tax revenues increased 168.1% in nominal dollars, but decreased -12.4% in constant 2005 dollars. This is equivalent to a 3.7% annual growth rate in nominal dollars, but a -0.5% annual decrease when adjusted for inflation.

SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

- Public utility tax revenues increased 72.9% in nominal dollars, but decreased -43.5% in constant 2005 dollars. This is equivalent to a 2% annual growth rate in nominal dollars, but a 2.1% annual decrease when adjusted for inflation.
- Cigarette and tobacco tax revenues increased 265% in nominal dollars, or 19.3% in constant 2005 dollars. This is equivalent to a 4.9% annual growth rate in nominal dollars, or a 0.7% annual increase when adjusted for inflation.
- Beer, wine and liquor tax revenues increased 16.6% in nominal dollars, but decreased -61.9% in constant 2005 dollars. This is equivalent to a 0.6% annual growth rate in nominal dollars, but a -3.5% annual decrease when adjusted for inflation.

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SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Table SR-1: Motor Vehicle Fuel Tax Revenue Compared to All Funds State Revenue

State Fiscal Year	Nominal \$				Constant 2005 \$			
	Motor Fuel Tax Revenue	Annual % Change	State All Funds (excluding motor fuel tax revenue)	Annual % Change	Motor Fuel Tax Revenue	Annual % Change	State All Funds (excluding motor fuel tax revenue)	Annual % Change
1978	176.60		5939.68		540.45		18177.02	
1979	183.71	4.0%	6639.27	11.8%	513.93	-4.9%	18573.31	2.2%
1980	195.87	6.6%	7185.73	8.2%	483.69	-5.9%	17745.23	-4.5%
1981	209.61	7.0%	7864.28	9.4%	463.79	-4.1%	17401.28	-1.9%
1982	285.38	36.2%	8036.59	2.2%	581.00	25.3%	16361.27	-6.0%
1983	286.84	0.5%	9655.12	20.1%	560.03	-3.6%	18850.47	15.2%
1984	343.05	19.6%	10238.13	6.0%	645.86	15.3%	19275.36	2.3%
1985	369.12	7.6%	11699.64	14.3%	668.72	3.5%	21195.92	10.0%
1986	388.50	5.3%	13790.47	17.9%	683.96	2.3%	24278.19	14.5%
1987	417.38	7.4%	12777.48	-7.3%	719.07	5.1%	22012.94	-9.3%
1988	490.39	17.5%	11509.07	-9.9%	811.36	12.8%	19041.87	-13.5%
1989	516.82	5.4%	14291.77	24.2%	817.68	0.8%	22611.43	18.7%
1990	528.22	2.2%	14374.14	0.6%	797.53	-2.5%	21702.74	-4.0%
1991	545.66	3.3%	15569.18	8.3%	781.05	-2.1%	22285.56	2.7%
1992	567.93	4.1%	15167.26	-2.6%	787.78	0.9%	21038.60	-5.6%
1993	589.43	3.8%	19434.08	28.1%	792.83	0.6%	26140.55	24.3%
1994	634.63	7.7%	17620.53	-9.3%	831.79	4.9%	23094.75	-11.7%
1995	651.19	2.6%	22432.40	27.3%	829.85	-0.2%	28587.04	23.8%
1996	672.52	3.3%	23170.84	3.3%	834.29	0.5%	28744.54	0.6%
1997	692.89	3.0%	26717.86	15.3%	835.81	0.2%	32228.74	12.1%
1998	740.21	6.8%	28857.72	8.0%	877.15	4.9%	34196.62	6.1%
1999	797.02	7.7%	27303.19	-5.4%	928.41	5.8%	31803.95	-7.0%
2000	809.46	1.6%	32063.85	17.4%	916.48	-1.3%	36303.26	14.1%
2001	827.47	2.2%	21449.04	-33.1%	905.79	-1.2%	23479.41	-35.3%
2002	865.45	4.6%	25904.86	20.8%	931.07	2.8%	27868.93	18.7%
2003	902.48	4.3%	30379.93	17.3%	949.89	2.0%	31975.87	14.7%
2004	934.60	3.6%	40650.83	33.8%	962.65	1.3%	41870.48	30.9%
2005	955.55	2.2%	36063.59	-11.3%	955.55	-0.7%	36063.59	-13.9%
Total % Change 1978 to 1984	94.3%		72.4%		19.5%		6.0%	
Compound Annual Growth Rate		11.7%		9.5%		3.0%		1.0%
Total % Change 1985 to 2005	158.9%		208.2%		42.9%		70.1%	
Compound Annual Growth Rate		4.9%		5.8%		1.8%		2.7%
Total % Change 1978 to 2005	441.1%		507.2%		76.8%		98.4%	
Compound Annual Growth Rate		6.5%		6.9%		2.1%		2.6%

Figure SR-1.1: Motor Vehicle Fuel Tax Revenue Compared to All Funds State Revenue (nominal \$, millions)

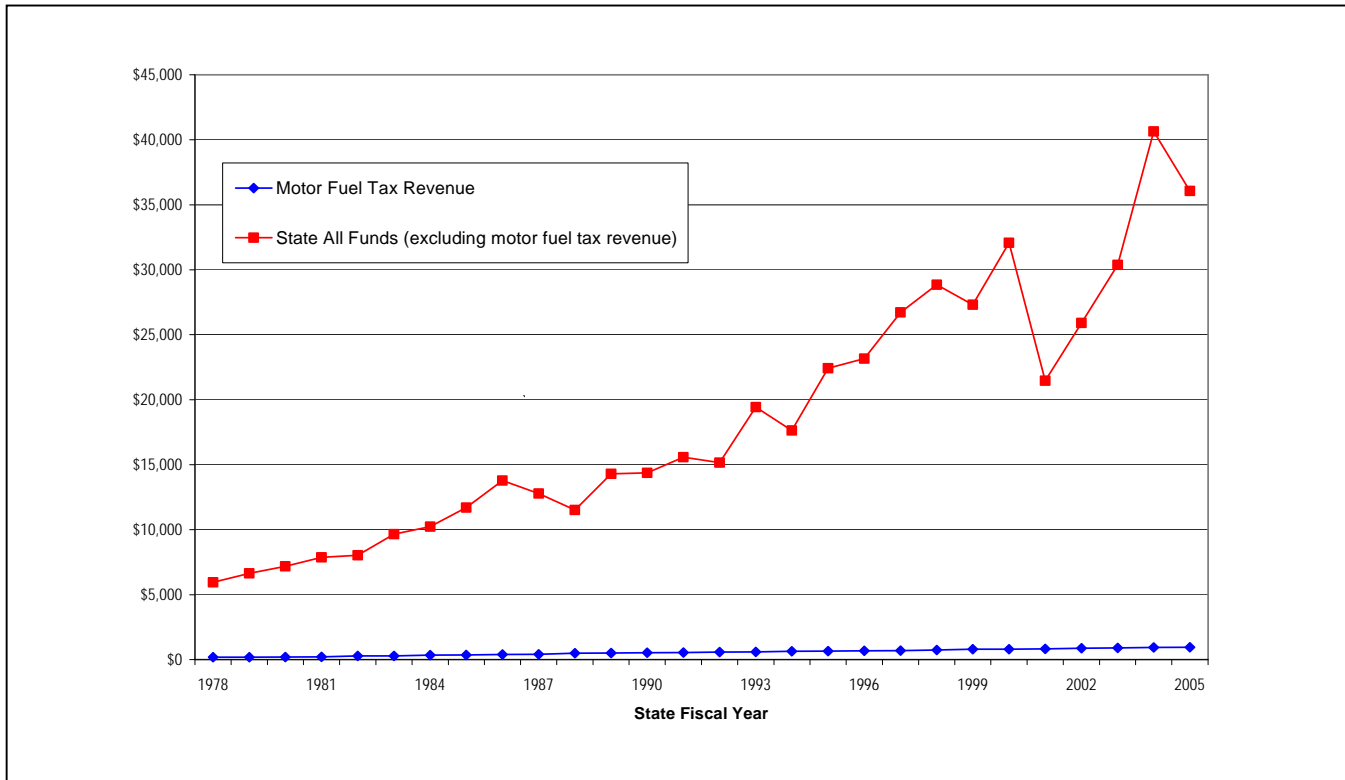
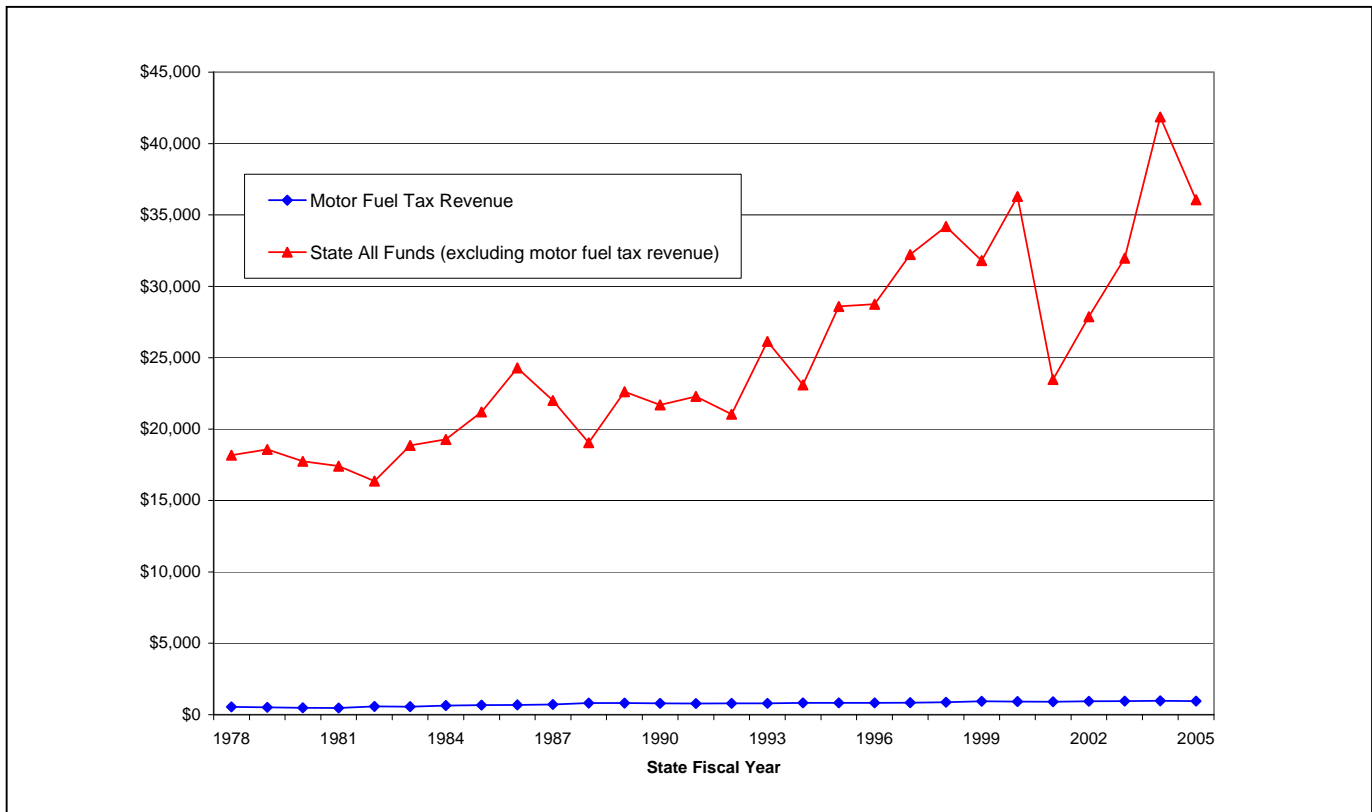


Figure SR-1.2: Motor Vehicle Fuel Tax Revenue Compared to All Funds State Revenue (constant 2005 \$, millions)



SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Table SR-2: Motor Vehicle Fuel Tax Revenue Compared to Total State Tax Revenue

State Fiscal Year	Nominal \$				Constant 2005 \$			
	State Motor Fuel Tax Revenue	Annual % Change	Total State Tax Revenue (excluding motor fuel tax revenue)	Annual % Change	State Motor Fuel Tax Revenue	Annual % Change	Total State Tax Revenue (excluding motor fuel tax revenue)	Annual % Change
1978	176.60		2772.49		540.45		8484.56	
1979	183.71	4.0%	2924.31	5.5%	513.93	-4.9%	8180.74	-3.6%
1980	195.87	6.6%	3004.80	2.8%	483.69	-5.9%	7420.39	-9.3%
1981	209.61	7.0%	3228.86	7.5%	463.79	-4.1%	7144.50	-3.7%
1982	285.38	36.2%	3458.81	7.1%	581.00	25.3%	7041.61	-1.4%
1983	286.84	0.5%	3804.64	10.0%	560.03	-3.6%	7428.10	5.5%
1984	343.05	19.6%	4566.39	20.0%	645.86	15.3%	8597.16	15.7%
1985	369.12	7.6%	4485.61	-1.8%	668.72	3.5%	8126.45	-5.5%
1986	388.50	5.3%	4816.00	7.4%	683.96	2.3%	8478.59	4.3%
1987	417.38	7.4%	4997.00	3.8%	719.07	5.1%	8608.79	1.5%
1988	490.39	17.5%	5217.75	4.4%	811.36	12.8%	8632.81	0.3%
1989	516.82	5.4%	5581.03	7.0%	817.68	0.8%	8829.91	2.3%
1990	528.22	2.2%	5694.94	2.0%	797.53	-2.5%	8598.48	-2.6%
1991	545.66	3.3%	6136.72	7.8%	781.05	-2.1%	8784.04	2.2%
1992	567.93	4.1%	6429.00	4.8%	787.78	0.9%	8917.70	1.5%
1993	589.43	3.8%	6980.90	8.6%	792.83	0.6%	9389.92	5.3%
1994	634.63	7.7%	7400.68	6.0%	831.79	4.9%	9699.87	3.3%
1995	651.19	2.6%	7925.37	7.1%	829.85	-0.2%	10099.81	4.1%
1996	672.52	3.3%	8350.54	5.4%	834.29	0.5%	10359.25	2.6%
1997	692.89	3.0%	8934.89	7.0%	835.81	0.2%	10777.82	4.0%
1998	740.21	6.8%	9762.94	9.3%	877.15	4.9%	11569.16	7.3%
1999	797.02	7.7%	10184.90	4.3%	928.41	5.8%	11863.81	2.5%
2000	809.46	1.6%	11155.98	9.5%	916.48	-1.3%	12631.00	6.5%
2001	827.47	2.2%	10270.76	-7.9%	905.79	-1.2%	11243.00	-11.0%
2002	865.45	4.6%	10226.29	-0.4%	931.07	2.8%	11001.64	-2.1%
2003	902.48	4.3%	10420.64	1.9%	949.89	2.0%	10968.07	-0.3%
2004	934.60	3.6%	10979.41	5.4%	962.65	1.3%	11308.83	3.1%
2005	955.55	2.2%	11625.18	5.9%	955.55	-0.7%	11625.18	2.8%
Total % Change 1978 to 1984	94.3%		64.7%		19.5%		1.3%	
Compound Annual Growth Rate		11.7%		8.7%		3.0%		0.2%
Total % Change 1985 to 2005	158.9%		159.2%		42.9%		43.1%	
Compound Annual Growth Rate		4.9%		4.9%		1.8%		1.8%
Total % Change 1978 to 2005	441.1%		319.3%		76.8%		37.0%	
Compound Annual Growth Rate		6.5%		5.5%		2.1%		1.2%

SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Figure SR-2.1: State Motor Vehicle Fuel Tax Revenue Compared to Total State Tax Revenue (nominal \$, millions)

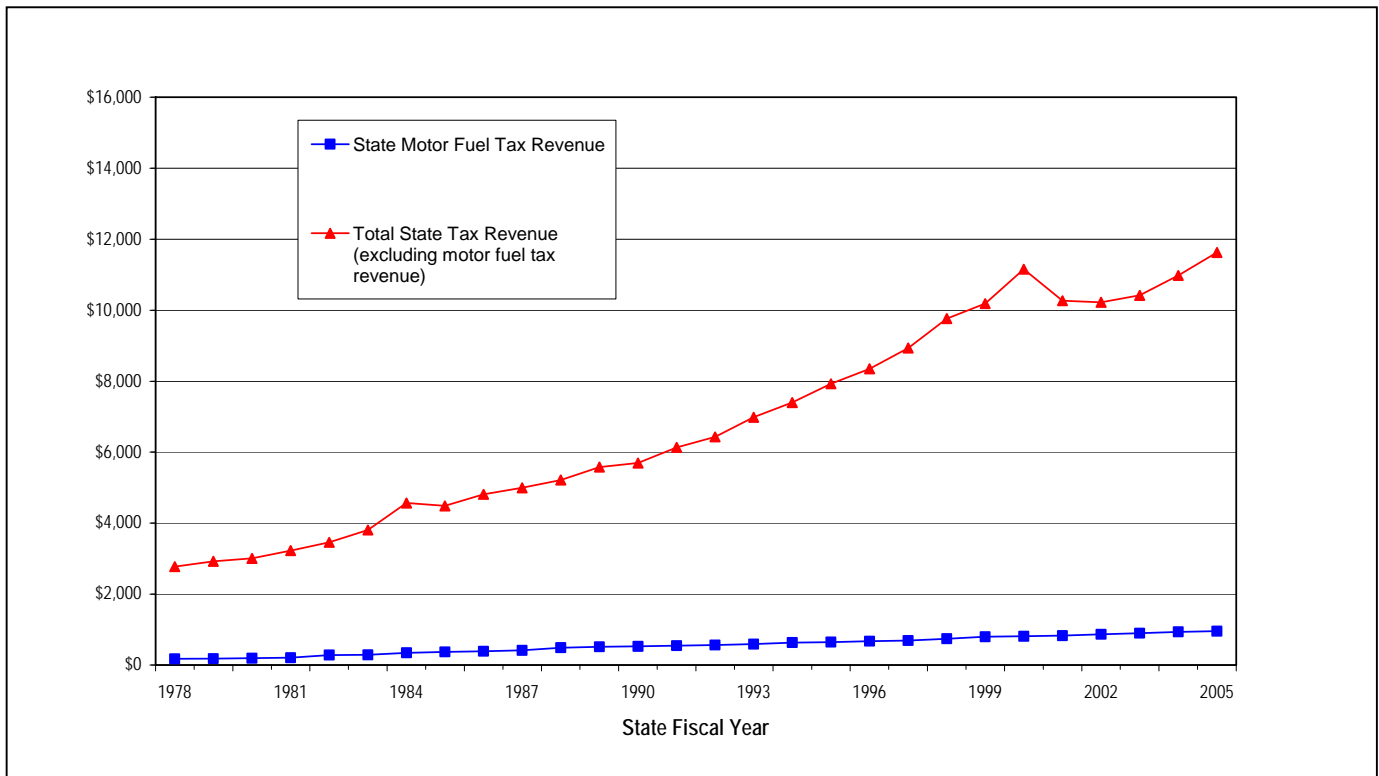


Figure SR-2.2: State Motor Vehicle Fuel Tax Revenue Compared to Total State Tax Revenue (constant 2005 \$, millions)

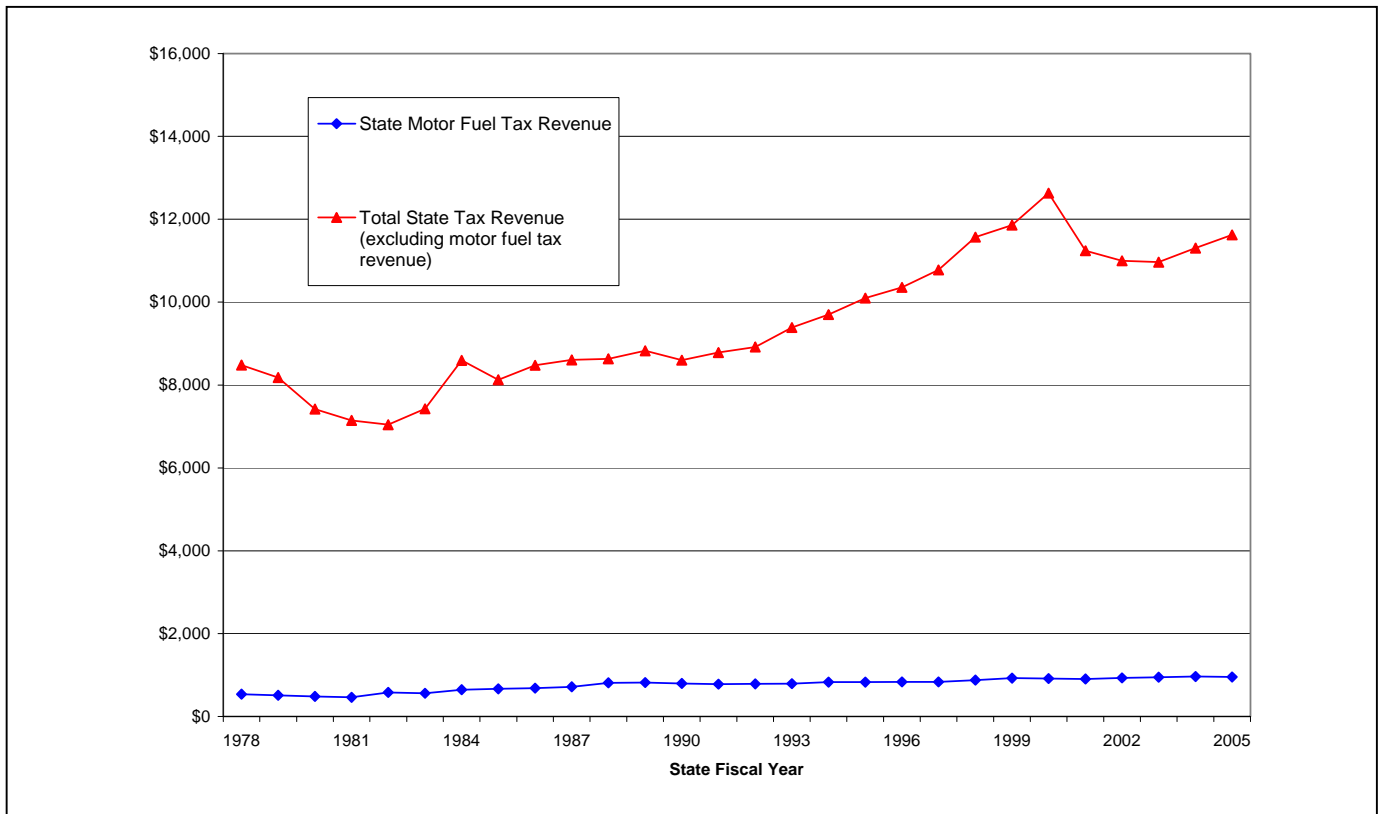


Figure SR-3: Motor Vehicle Fuel Taxes as a Percent of All Funds State Revenue (including motor vehicle fuel taxes)

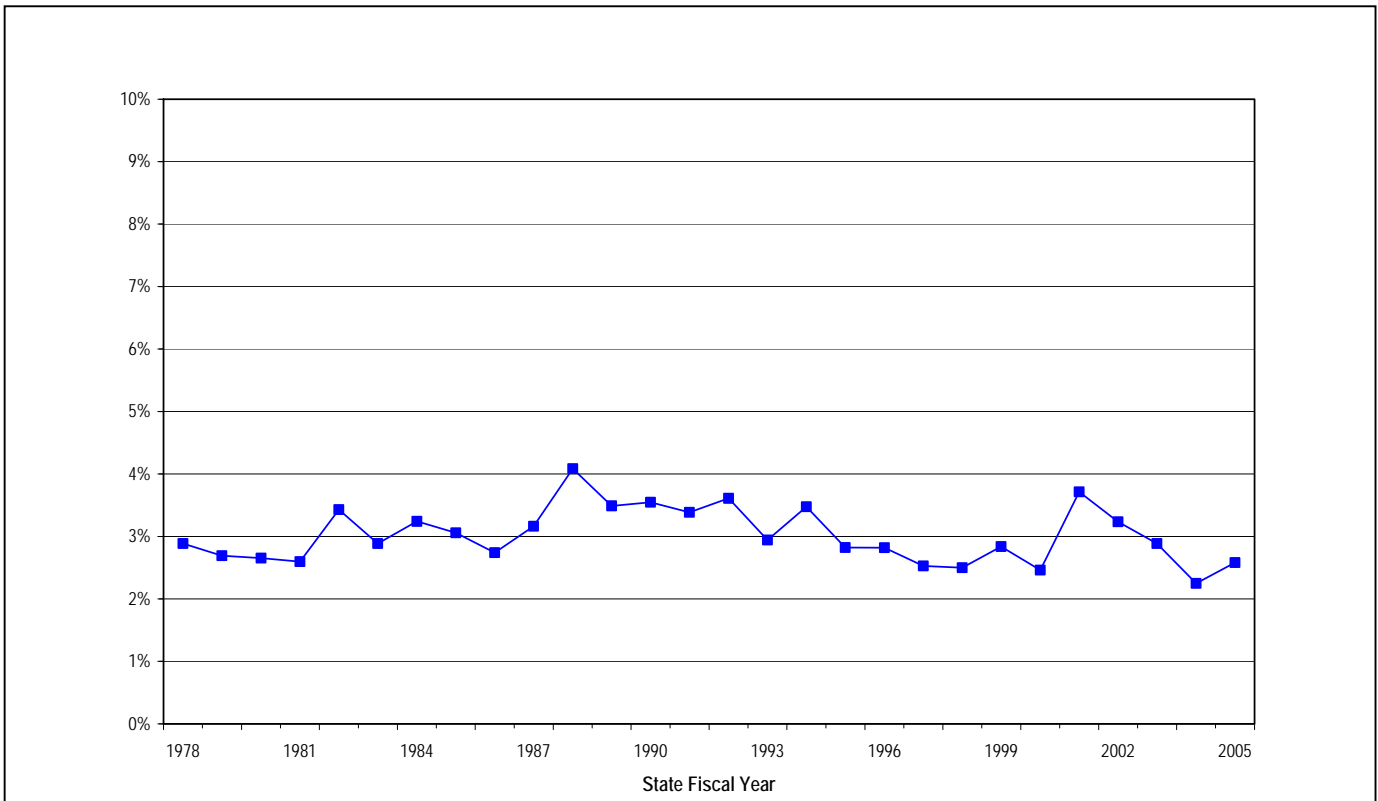
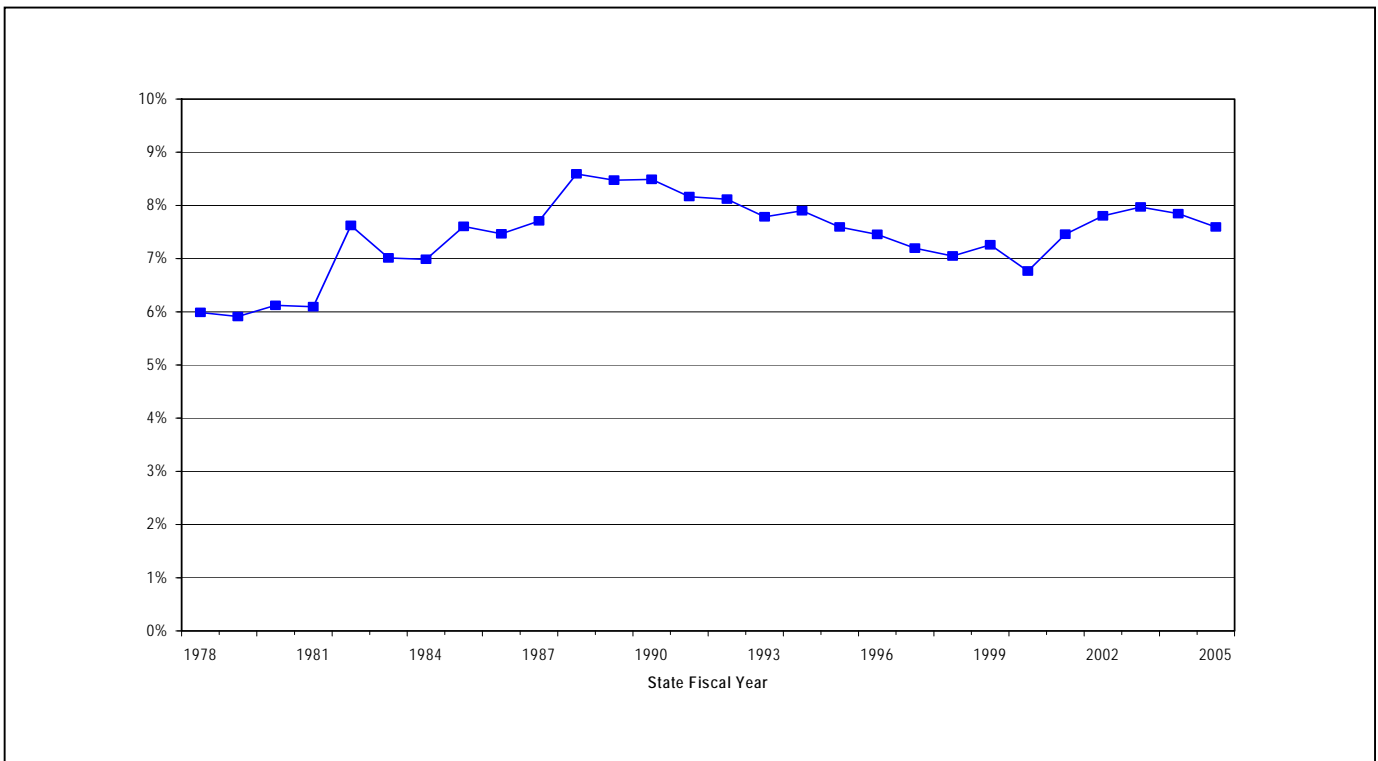


Figure SR-4: Motor Vehicle Fuel Taxes as a Percent of Total State Tax Revenue (including motor vehicle fuel taxes)



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SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Table OTR-1: State Motor Vehicle Fuel Tax Revenue Compared to Individual Income Tax Revenue (millions) ¹⁴

State Fiscal Year	Nominal \$				Constant 2005 \$			
	Motor Fuel	Annual % Change	Individual Income	Annual % Change	Motor Fuel	Annual % Change	Individual Income	Annual % Change
1978	176.60		1324.68		540.45		4053.88	
1979	183.71	4.0%	1375.37	3.8%	513.93	-4.9%	3847.59	-5.1%
1980	195.87	6.6%	1430.48	4.0%	483.69	-5.9%	3532.57	-8.2%
1981	209.61	7.0%	1654.86	15.7%	463.79	-4.1%	3661.71	3.7%
1982	285.38	36.2%	1687.14	2.0%	581.00	25.3%	3434.75	-6.2%
1983	286.84	0.5%	1734.06	2.8%	560.03	-3.6%	3385.54	-1.4%
1984	343.05	19.6%	2181.91	25.8%	645.86	15.3%	4107.90	21.3%
1985	369.12	7.6%	2009.11	-7.9%	668.72	3.5%	3639.85	-11.4%
1986	388.50	5.3%	2239.07	11.4%	683.96	2.3%	3941.89	8.3%
1987	417.38	7.4%	2224.05	-0.7%	719.07	5.1%	3831.58	-2.8%
1988	490.39	17.5%	2319.97	4.3%	811.36	12.8%	3838.41	0.2%
1989	516.82	5.4%	2576.11	11.0%	817.68	0.8%	4075.74	6.2%
1990	528.22	2.2%	2624.90	1.9%	797.53	-2.5%	3963.19	-2.8%
1991	545.66	3.3%	3003.38	14.4%	781.05	-2.1%	4299.01	8.5%
1992	567.93	4.1%	3142.21	4.6%	787.78	0.9%	4358.58	1.4%
1993	589.43	3.8%	3445.83	9.7%	792.83	0.6%	4634.94	6.3%
1994	634.63	7.7%	3648.76	5.9%	831.79	4.9%	4782.33	3.2%
1995	651.19	2.6%	3961.39	8.6%	829.85	-0.2%	5048.26	5.6%
1996	672.52	3.3%	4183.60	5.6%	834.29	0.5%	5189.96	2.8%
1997	692.89	3.0%	4558.27	9.0%	835.81	0.2%	5498.46	5.9%
1998	740.21	6.8%	5047.52	10.7%	877.15	4.9%	5981.34	8.8%
1999	797.02	7.7%	5162.24	2.3%	928.41	5.8%	6013.20	0.5%
2000	809.46	1.6%	5962.01	15.5%	916.48	-1.3%	6750.29	12.3%
2001	827.47	2.2%	5156.57	-13.5%	905.79	-1.2%	5644.69	-16.4%
2002	865.45	4.6%	4979.66	-3.4%	931.07	2.8%	5357.21	-5.1%
2003	902.48	4.3%	5052.00	1.5%	949.89	2.0%	5317.39	-0.7%
2004	934.60	3.6%	5277.12	4.5%	962.65	1.3%	5435.45	2.2%
2005	955.55	2.2%	5650.11	7.1%	955.55	-0.7%	5650.11	3.9%
Total % Change 1978 to 1984 Compound Annual Growth Rate	94.3%	11.7%	64.7%	8.7%	19.5%	3.0%	1.3%	0.2%
Total % Change 1985 to 2005 Compound Annual Growth Rate	158.9%	4.9%	181.2%	5.3%	42.9%	1.8%	55.2%	2.2%
Total % Change 1978 to 2005 Compound Annual Growth Rate	441.1%	6.5%	326.5%	5.5%	76.8%	2.1%	39.4%	1.2%

¹⁴ For a discussion of Wisconsin's individual income tax see Wisconsin Department of Revenue (November 20, 2006) "The Wisconsin Individual Income Tax," available at: <http://dor.state.wi.us/ra/06inctax.pdf>

SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Figure OTR-1.1: State Motor Vehicle Fuel Tax Revenue Compared to Individual Income tax Revenue (nominal \$, millions)

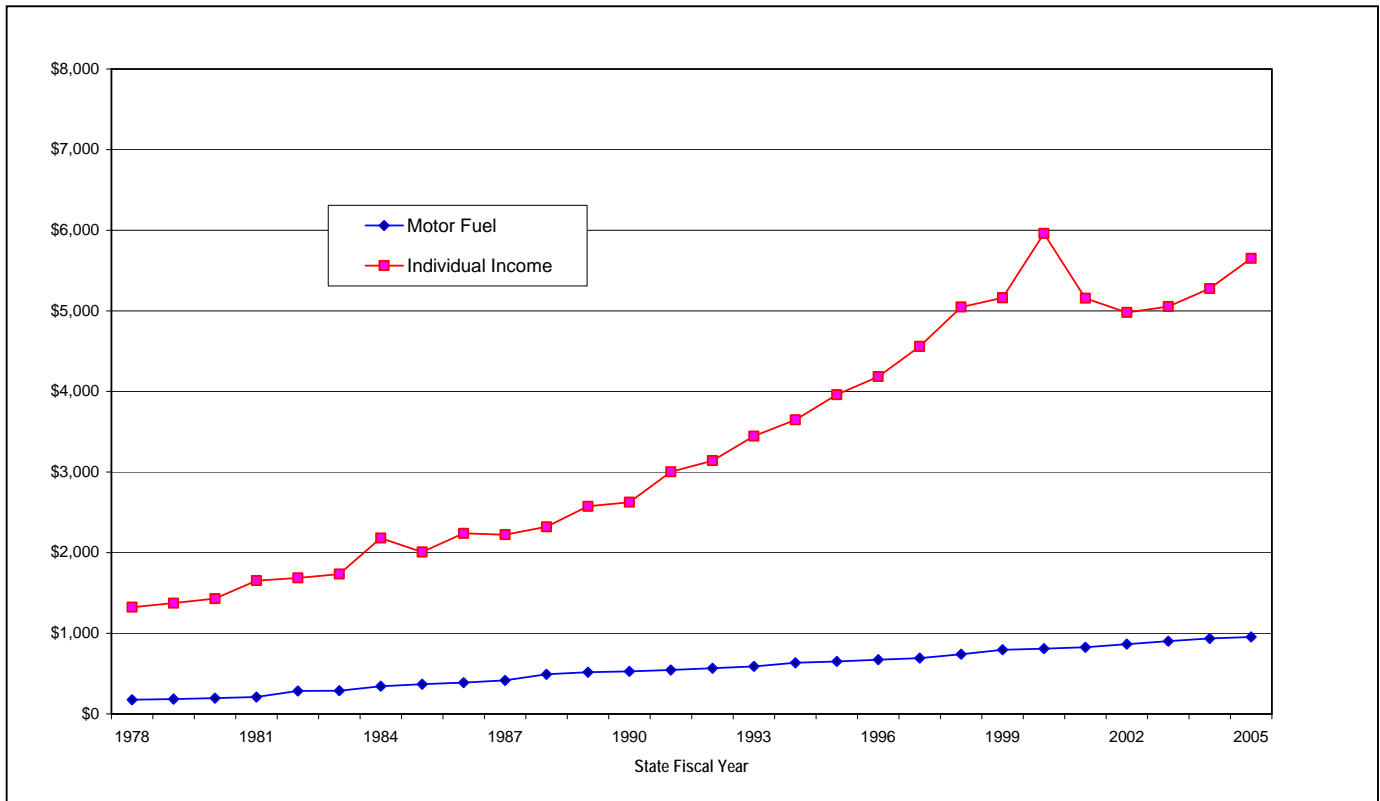
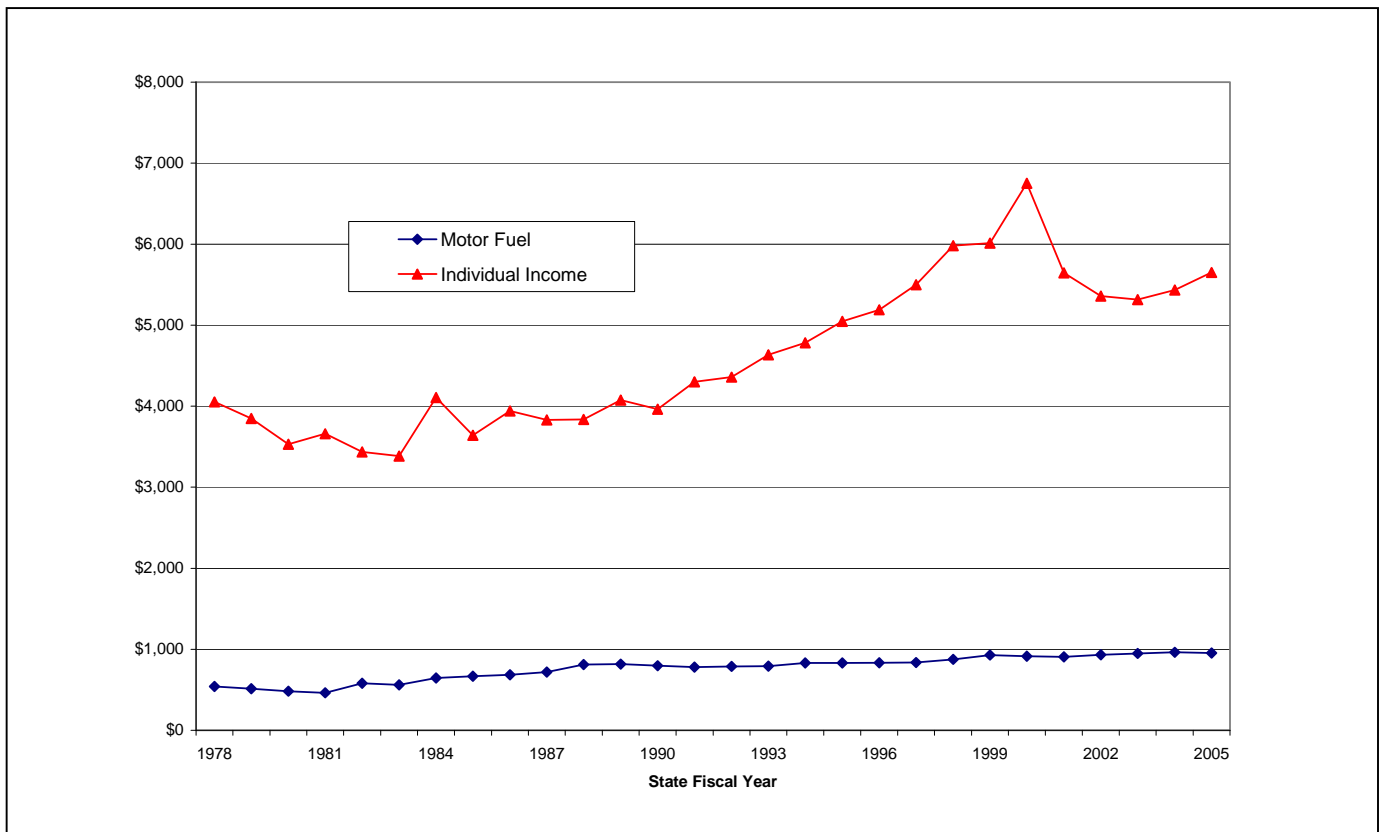


Figure OTR-1.2: State Motor Vehicle Fuel Tax Revenue Compared to Individual Income Tax Revenue (constant 2005 \$, millions)



SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Table OTR-2: State Motor Vehicle Fuel Tax Revenue Compared to Corporate Income Tax Revenue (millions) ¹⁵

State Fiscal Year	Nominal \$				Constant 2005 \$			
	Motor Fuel	Annual % Change	Corporate Income	Annual % Change	Motor Fuel	Annual % Change	Corporate Income	Annual % Change
1978	176.60		284.98		540.45		872.11	
1979	183.71	4.0%	327.43	14.9%	513.93	-4.9%	915.97	5.0%
1980	195.87	6.6%	311.32	-4.9%	483.69	-5.9%	768.81	-16.1%
1981	209.61	7.0%	255.66	-17.9%	463.79	-4.1%	565.71	-26.4%
1982	285.38	36.2%	322.94	26.3%	581.00	25.3%	657.45	16.2%
1983	286.84	0.5%	339.78	5.2%	560.03	-3.6%	663.38	0.9%
1984	343.05	19.6%	393.48	15.8%	645.86	15.3%	740.81	11.7%
1985	369.12	7.6%	413.65	5.1%	668.72	3.5%	749.39	1.2%
1986	388.50	5.3%	407.59	-1.5%	683.96	2.3%	717.56	-4.2%
1987	417.38	7.4%	470.69	15.5%	719.07	5.1%	810.90	13.0%
1988	490.39	17.5%	461.37	-2.0%	811.36	12.8%	763.34	-5.9%
1989	516.82	5.4%	448.37	-2.8%	817.68	0.8%	709.37	-7.1%
1990	528.22	2.2%	436.56	-2.6%	797.53	-2.5%	659.14	-7.1%
1991	545.66	3.3%	440.92	1.0%	781.05	-2.1%	631.12	-4.3%
1992	567.93	4.1%	437.69	-0.7%	787.78	0.9%	607.12	-3.8%
1993	589.43	3.8%	492.02	12.4%	792.83	0.6%	661.80	9.0%
1994	634.63	7.7%	541.28	10.0%	831.79	4.9%	709.45	7.2%
1995	651.19	2.6%	631.75	16.7%	829.85	-0.2%	805.08	13.5%
1996	672.52	3.3%	636.01	0.7%	834.29	0.5%	789.00	-2.0%
1997	692.89	3.0%	643.82	1.2%	835.81	0.2%	776.62	-1.6%
1998	740.21	6.8%	627.02	-2.6%	877.15	4.9%	743.03	-4.3%
1999	797.02	7.7%	635.20	1.3%	928.41	5.8%	739.91	-0.4%
2000	809.46	1.6%	644.63	1.5%	916.48	-1.3%	729.86	-1.4%
2001	827.47	2.2%	537.16	-16.7%	905.79	-1.2%	588.01	-19.4%
2002	865.45	4.6%	503.01	-6.4%	931.07	2.8%	541.15	-8.0%
2003	902.48	4.3%	526.55	4.7%	949.89	2.0%	554.21	2.4%
2004	934.60	3.6%	650.53	23.5%	962.65	1.3%	670.04	20.9%
2005	955.55	2.2%	764.05	17.5%	955.55	-0.7%	764.05	14.0%
Total % Change 1978 to 1984	94.3%		38.1%		19.5%		-15.1%	
Compound Annual Growth Rate		11.7%		5.5%		3.0%		-2.7%
Total % Change 1985 to 2005	158.9%		84.7%		42.9%		2.0%	
Compound Annual Growth Rate		4.9%		3.1%		1.8%		0.1%
Total % Change 1978 to 2005	441.1%		168.1%		76.8%		-12.4%	
Compound Annual Growth Rate		6.5%		3.7%		2.1%		-0.5%

¹⁵ For a discussion of Wisconsin's corporate income tax see Wisconsin Department of Revenue (August 25, 2006) "The Wisconsin Corporate Income and Franchise Taxes," available at: <http://www.dor.state.wi.us/ra/O6coriftd.pdf>

SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Figure OTR-2.1: State Motor Vehicle Fuel Tax Revenue Compared to Corporate Income Tax Revenue (nominal, millions)

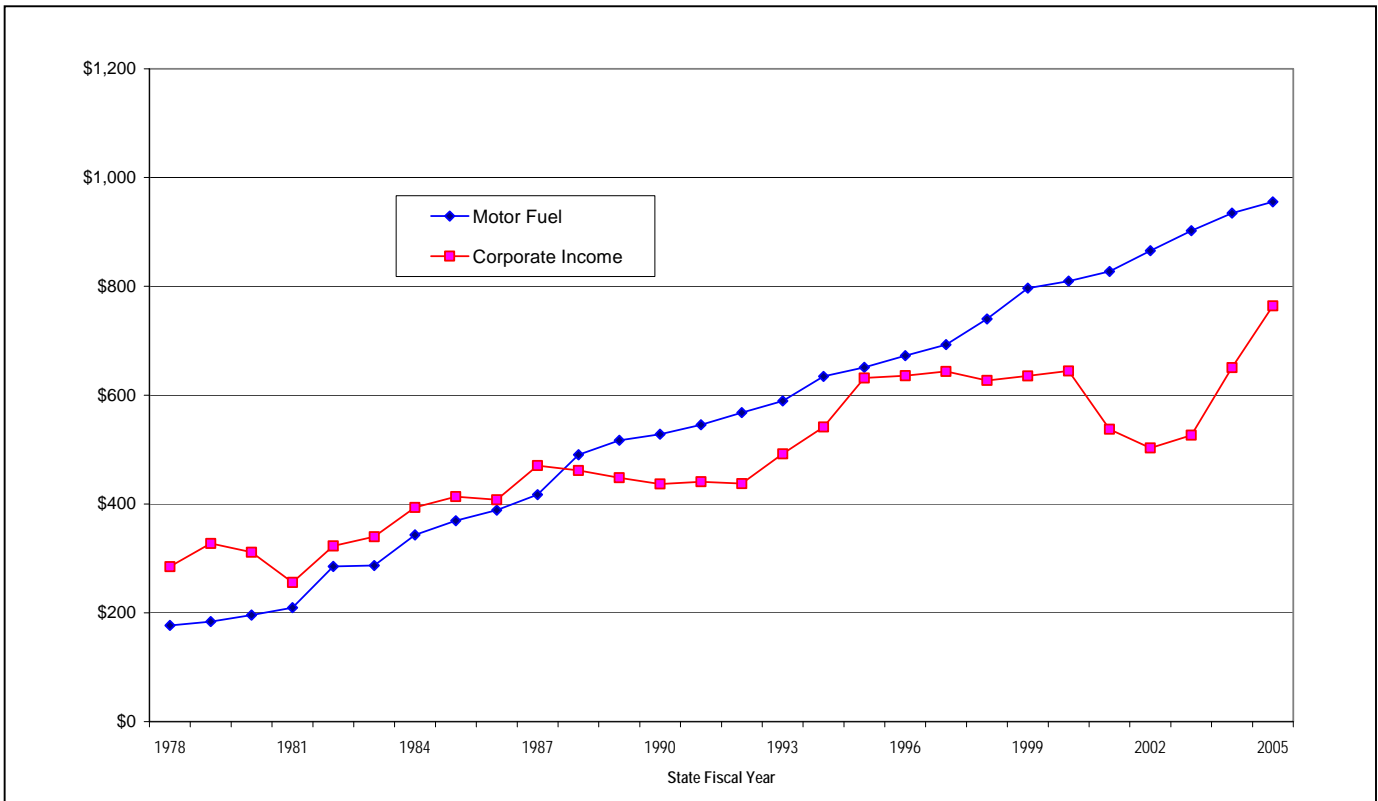
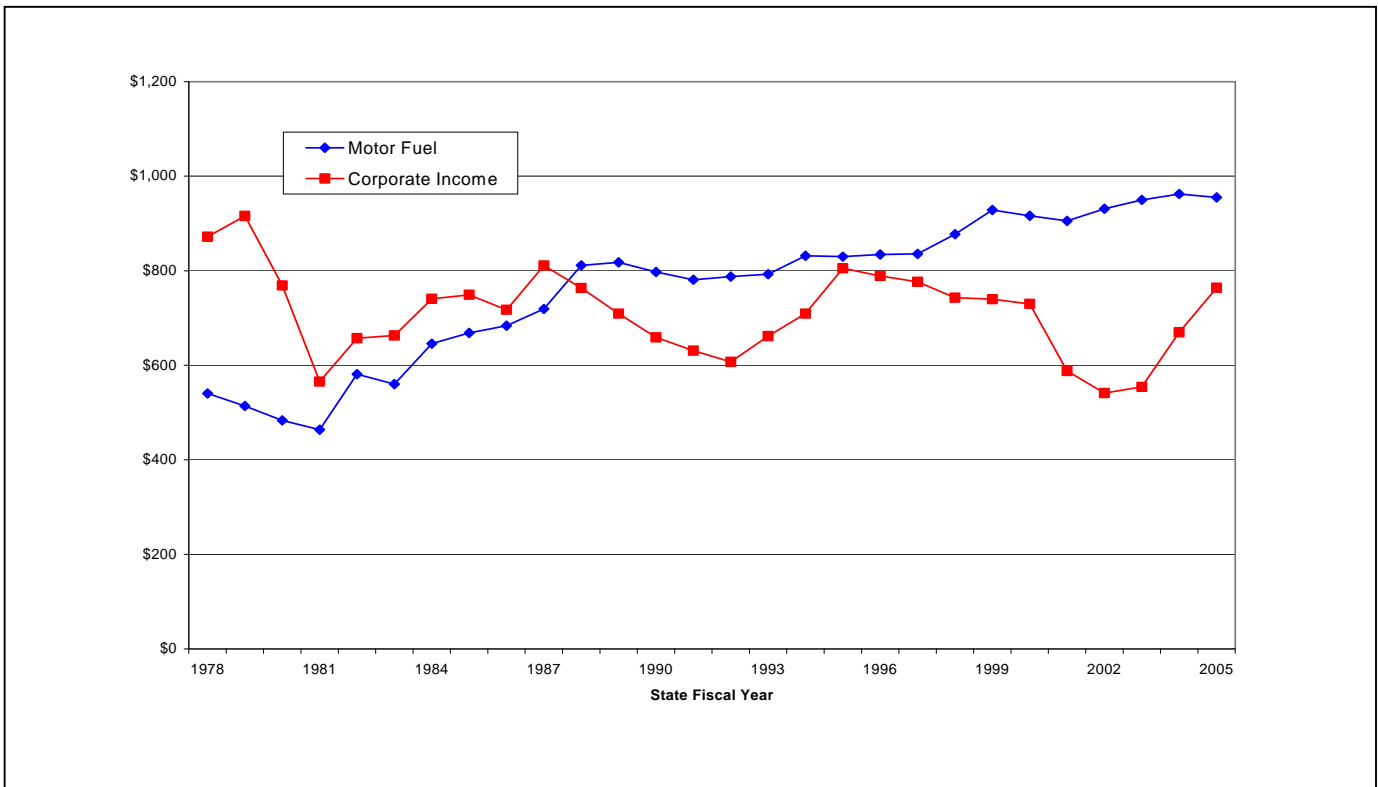


Figure OTR-2.2: State Motor Vehicle Fuel Tax Revenue Compared to Corporate Income Tax Revenue (constant 2005 \$, millions)



SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Table OTR-3: State Motor Vehicle Fuel Tax Revenue Compared to Sales/Use Tax Revenue (millions) ¹⁶

State Fiscal Year	Nominal \$				Constant 2005 \$			
	Motor Fuel	Annual % Change	General Sales/Use	Annual % Change	Motor Fuel	Annual % Change	General Sales/Use	Annual % Change
1978	176.60		762.22		540.45		2332.61	
1979	183.71	4.0%	819.66	7.5%	513.93	-4.9%	2292.99	-1.7%
1980	195.87	6.6%	853.86	4.2%	483.69	-5.9%	2108.62	-8.0%
1981	209.61	7.0%	901.50	5.6%	463.79	-4.1%	1994.74	-5.4%
1982	285.38	36.2%	961.07	6.6%	581.00	25.3%	1956.59	-1.9%
1983	286.84	0.5%	1209.44	25.8%	560.03	-3.6%	2361.29	20.7%
1984	343.05	19.6%	1374.57	13.7%	645.86	15.3%	2587.90	9.6%
1985	369.12	7.6%	1453.53	5.7%	668.72	3.5%	2633.31	1.8%
1986	388.50	5.3%	1543.35	6.2%	683.96	2.3%	2717.07	3.2%
1987	417.38	7.4%	1651.91	7.0%	719.07	5.1%	2845.89	4.7%
1988	490.39	17.5%	1769.06	7.1%	811.36	12.8%	2926.93	2.8%
1989	516.82	5.4%	1888.25	6.7%	817.68	0.8%	2987.46	2.1%
1990	528.22	2.2%	1983.83	5.1%	797.53	-2.5%	2995.27	0.3%
1991	545.66	3.3%	2026.68	2.2%	781.05	-2.1%	2900.97	-3.1%
1992	567.93	4.1%	2127.32	5.0%	787.78	0.9%	2950.81	1.7%
1993	589.43	3.8%	2260.56	6.3%	792.83	0.6%	3040.66	3.0%
1994	634.63	7.7%	2427.90	7.4%	831.79	4.9%	3182.18	4.7%
1995	651.19	2.6%	2571.21	5.9%	829.85	-0.2%	3276.66	3.0%
1996	672.52	3.3%	2704.23	5.2%	834.29	0.5%	3354.72	2.4%
1997	692.89	3.0%	2864.37	5.9%	835.81	0.2%	3455.18	3.0%
1998	740.21	6.8%	3047.41	6.4%	877.15	4.9%	3611.20	4.5%
1999	797.02	7.7%	3284.70	7.8%	928.41	5.8%	3826.16	6.0%
2000	809.46	1.6%	3501.66	6.6%	916.48	-1.3%	3964.64	3.6%
2001	827.47	2.2%	3609.90	3.1%	905.79	-1.2%	3951.61	-0.3%
2002	865.45	4.6%	3695.80	2.4%	931.07	2.8%	3976.01	0.6%
2003	902.48	4.3%	3737.91	1.1%	949.89	2.0%	3934.28	-1.0%
2004	934.60	3.6%	3899.26	4.3%	962.65	1.3%	4016.25	2.1%
2005	955.55	2.2%	4038.72	3.6%	955.55	-0.7%	4038.72	0.6%
Total % Change 1978 to 1984	94.25%		80.34%		19.51%		10.94%	
Compound Annual Growth Rate		11.7%		10.3%		3.0%		1.7%
Total % Change 1985 to 2005	158.87%		177.86%		42.89%		53.37%	
Compound Annual Growth Rate		4.9%		5.2%		1.8%		2.2%
Total % Change 1978 to 2005	441.08%		429.86%		76.81%		73.14%	
Compound Annual Growth Rate		6.5%		6.4%		2.1%		2.1%

¹⁶ For a discussion of Wisconsin's sales and use tax see Wisconsin Department of Revenue (May 18, 2005) "Sales and Use Tax," available at: <http://www.dor.state.wi.us/ra/salusetx.pdf>

SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Figure OTR-3.1: State Motor Vehicle Fuel Tax Revenue Compared to Sales/Use Tax Revenue (millions)

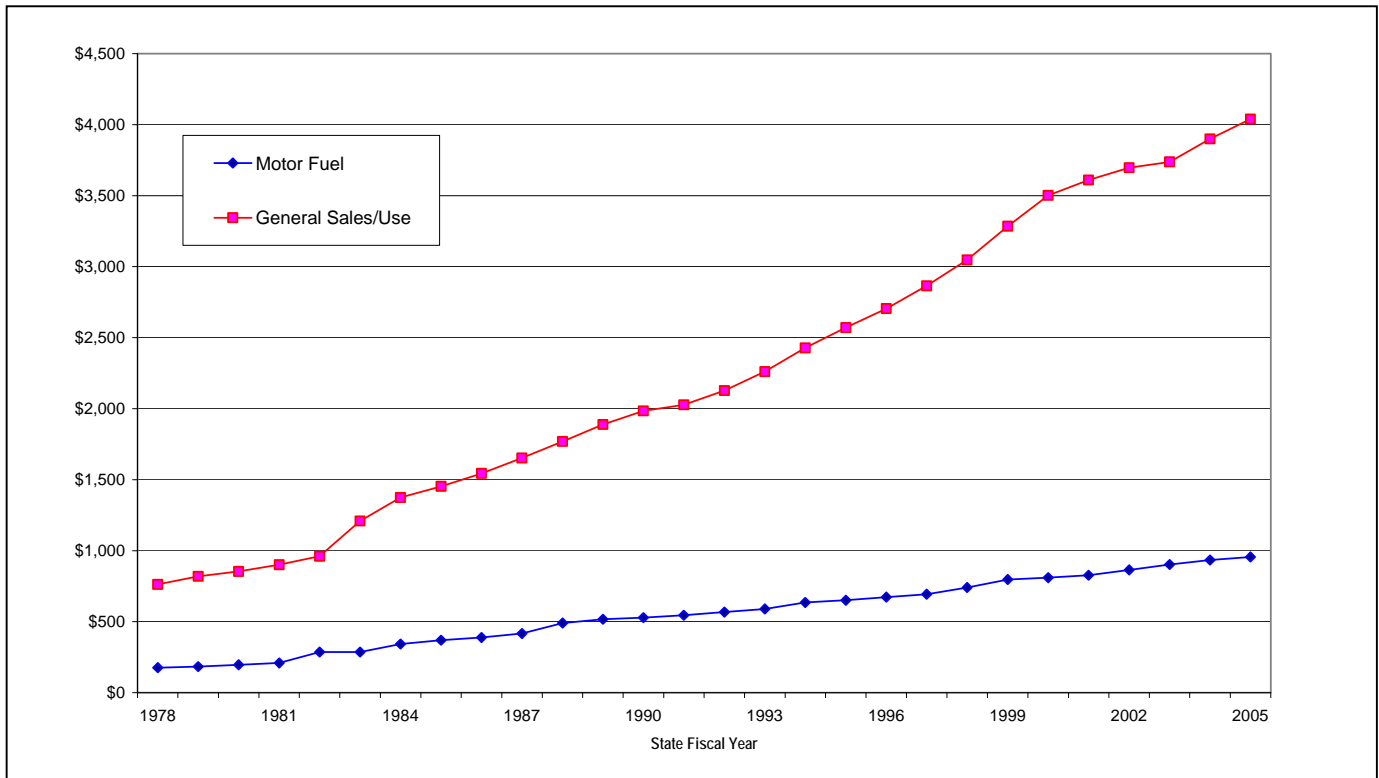
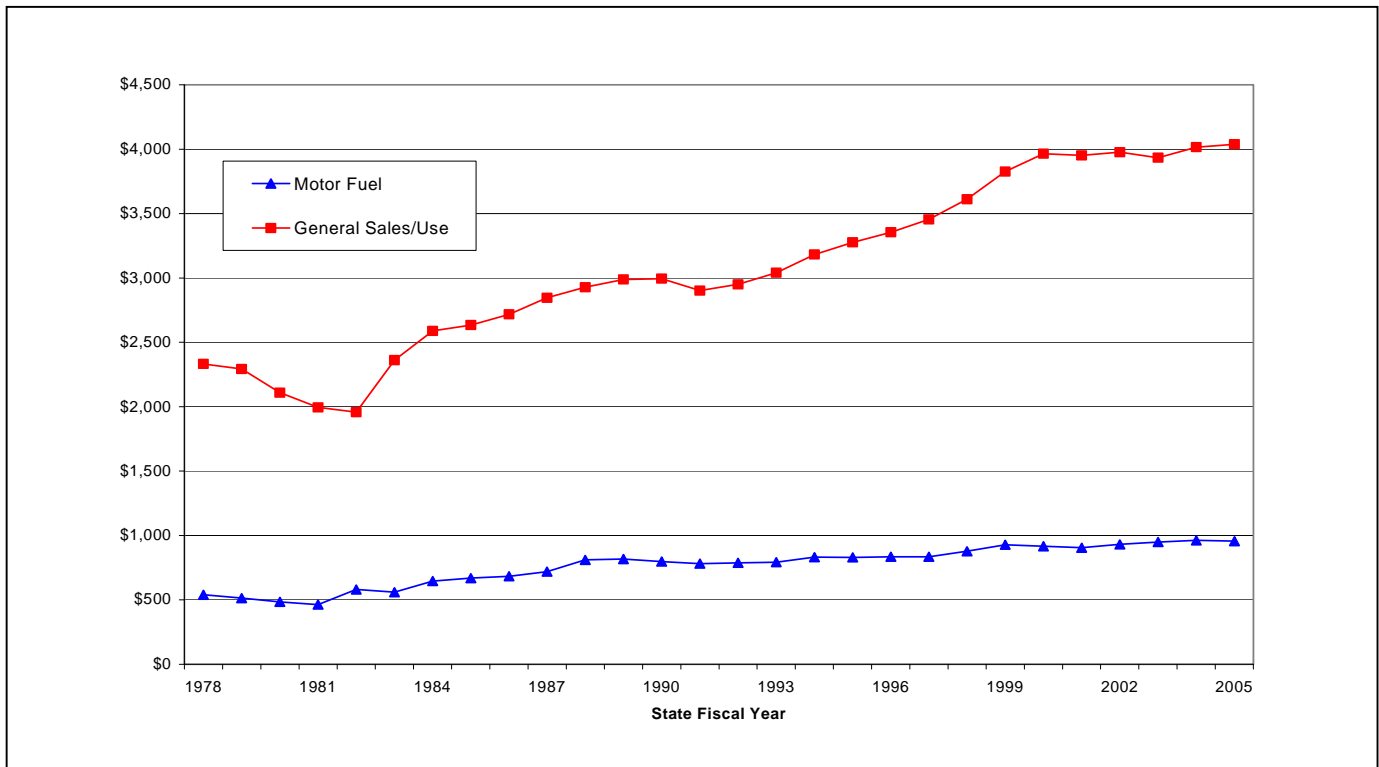


Figure OTR-3.2: State Motor Vehicle Fuel Tax Revenue Compared to Sales/Use Tax Revenue (constant 2005 \$, millions)



SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Table OTR-4: State Motor Vehicle Fuel Tax Compared to Public Utility Tax Revenue (millions)¹⁷

State Fiscal Year	Nominal \$				Constant 2005 \$			
	Motor Fuel	Annual % Change	Public Utility	Annual % Change	Motor Fuel	Annual % Change	Public Utility	Annual % Change
1978	176.60		147.13		540.45		450.26	
1979	183.71	4.0%	151.33	2.9%	513.93	-4.9%	423.35	-6.0%
1980	195.87	6.6%	149.01	-1.5%	483.69	-5.9%	367.98	-13.1%
1981	209.61	7.0%	155.49	4.4%	463.79	-4.1%	344.06	-6.5%
1982	285.38	36.2%	180.30	16.0%	581.00	25.3%	367.06	6.7%
1983	286.84	0.5%	192.28	6.6%	560.03	-3.6%	375.41	2.3%
1984	343.05	19.6%	271.02	40.9%	645.86	15.3%	510.25	35.9%
1985	369.12	7.6%	249.42	-8.0%	668.72	3.5%	451.87	-11.4%
1986	388.50	5.3%	262.28	5.2%	683.96	2.3%	461.75	2.2%
1987	417.38	7.4%	256.01	-2.4%	719.07	5.1%	441.05	-4.5%
1988	490.39	17.5%	242.84	-5.1%	811.36	12.8%	401.78	-8.9%
1989	516.82	5.4%	241.95	-0.4%	817.68	0.8%	382.79	-4.7%
1990	528.22	2.2%	234.38	-3.1%	797.53	-2.5%	353.87	-7.6%
1991	545.66	3.3%	240.98	2.8%	781.05	-2.1%	344.94	-2.5%
1992	567.93	4.1%	261.60	8.6%	787.78	0.9%	362.86	5.2%
1993	589.43	3.8%	278.33	6.4%	792.83	0.6%	374.37	3.2%
1994	634.63	7.7%	262.24	-5.8%	831.79	4.9%	343.71	-8.2%
1995	651.19	2.6%	271.98	3.7%	829.85	-0.2%	346.60	0.8%
1996	672.52	3.3%	285.29	4.9%	834.29	0.5%	353.91	2.1%
1997	692.89	3.0%	306.23	7.3%	835.81	0.2%	369.39	4.4%
1998	740.21	6.8%	288.36	-5.8%	877.15	4.9%	341.71	-7.5%
1999	797.02	7.7%	287.09	-0.4%	928.41	5.8%	334.41	-2.1%
2000	809.46	1.6%	259.98	-9.4%	916.48	-1.3%	294.36	-12.0%
2001	827.47	2.2%	239.24	-8.0%	905.79	-1.2%	261.88	-11.0%
2002	865.45	4.6%	252.24	5.4%	931.07	2.8%	271.36	3.6%
2003	902.48	4.3%	276.79	9.7%	949.89	2.0%	291.33	7.4%
2004	934.60	3.6%	269.80	-2.5%	962.65	1.3%	277.90	-4.6%
2005	955.55	2.2%	254.44	-5.7%	955.55	-0.7%	254.44	-8.4%
Total % Change 1978 to 1984	94.25%		84.20%		19.51%		13.32%	
Compound Annual Growth Rate		11.7%		10.7%		3.0%		2.1%
Total % Change 1985 to 2005	158.87%		2.01%		42.89%		-43.69%	
Compound Annual Growth Rate		4.9%		0.1%		1.8%		-2.8%
Total % Change 1978 to 2005	441.08%		72.94%		76.81%		-43.49%	
Compound Annual Growth Rate		6.5%		2.0%		2.1%		-2.1%

¹⁷ For a discussion of Wisconsin's public utility taxes, including taxes on railroads and airlines, see Wisconsin Department of Revenue (December 9, 2002) "Taxation of Public Utilities," available at: <http://www.dor.state.wi.us/ra/utitax02.pdf>

SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Figure OTR-4.1: State Motor Vehicle Fuel Tax Compared to Public Utility Tax Revenue (nominal \$, millions)

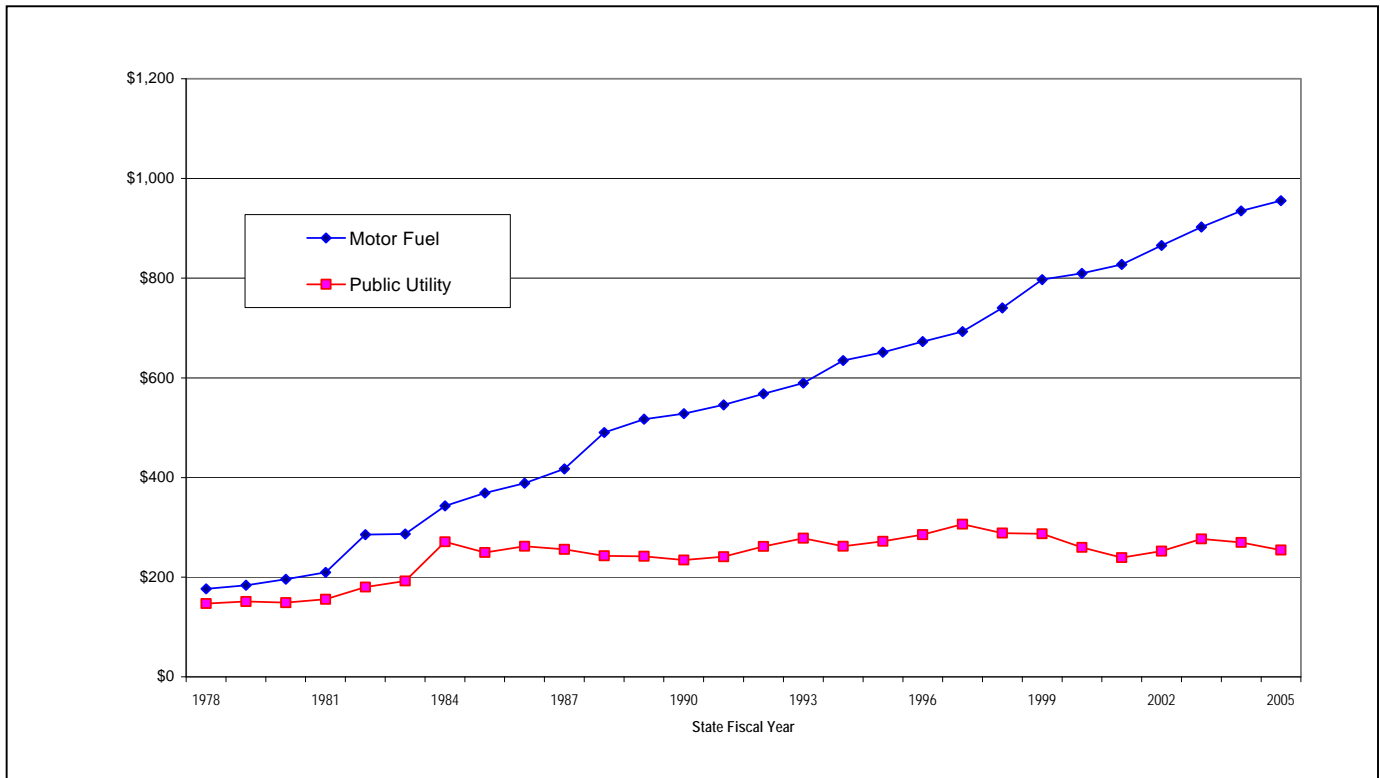


Figure OTR-4.2: State Motor Vehicle Fuel Tax Compared to Public Utility Tax Revenue (constant 2005 \$, millions)



Revised 2.4.2008

SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Table OTR-5: State Motor Vehicle Fuel Tax Revenue Compared to Cigarette and Tobacco Tax Revenue (millions) ¹⁸

State Fiscal Year	Nominal \$				Constant 2005 \$			
	Motor Fuel	Annual % Change	Cigarette/Tobacco	Annual % Change	Motor Fuel	Annual % Change	Cigarette/Tobacco	Annual % Change
1978	176.60		84.98		540.45		260.05	
1979	183.71	4.0%	85.78	0.9%	513.93	-4.9%	239.96	-7.7%
1980	195.87	6.6%	86.95	1.4%	483.69	-5.9%	214.73	-10.5%
1981	209.61	7.0%	88.30	1.5%	463.79	-4.1%	195.37	-9.0%
1982	285.38	36.2%	114.23	29.4%	581.00	25.3%	232.56	19.0%
1983	286.84	0.5%	127.93	12.0%	560.03	-3.6%	249.77	7.4%
1984	343.05	19.6%	126.71	-1.0%	645.86	15.3%	238.57	-4.5%
1985	369.12	7.6%	129.38	2.1%	668.72	3.5%	234.40	-1.7%
1986	388.50	5.3%	127.13	-1.7%	683.96	2.3%	223.81	-4.5%
1987	417.38	7.4%	129.08	1.5%	719.07	5.1%	222.38	-0.6%
1988	490.39	17.5%	147.28	14.1%	811.36	12.8%	243.68	9.6%
1989	516.82	5.4%	145.60	-1.1%	817.68	0.8%	230.36	-5.5%
1990	528.22	2.2%	140.80	-3.3%	797.53	-2.5%	212.58	-7.7%
1991	545.66	3.3%	141.45	0.5%	781.05	-2.1%	202.47	-4.8%
1992	567.93	4.1%	153.56	8.6%	787.78	0.9%	213.01	5.2%
1993	589.43	3.8%	172.63	12.4%	792.83	0.6%	232.21	9.0%
1994	634.63	7.7%	180.17	4.4%	831.79	4.9%	236.15	1.7%
1995	651.19	2.6%	183.84	2.0%	829.85	-0.2%	234.27	-0.8%
1996	672.52	3.3%	205.35	11.7%	834.29	0.5%	254.75	8.7%
1997	692.89	3.0%	213.35	3.9%	835.81	0.2%	257.35	1.0%
1998	740.21	6.8%	257.10	20.5%	877.15	4.9%	304.66	18.4%
1999	797.02	7.7%	266.82	3.8%	928.41	5.8%	310.80	2.0%
2000	809.46	1.6%	257.90	-3.3%	916.48	-1.3%	291.99	-6.1%
2001	827.47	2.2%	254.87	-1.2%	905.79	-1.2%	278.99	-4.5%
2002	865.45	4.6%	302.70	18.8%	931.07	2.8%	325.65	16.7%
2003	902.48	4.3%	309.21	2.1%	949.89	2.0%	325.45	-0.1%
2004	934.60	3.6%	307.42	-0.6%	962.65	1.3%	316.65	-2.7%
2005	955.55	2.2%	310.14	0.9%	955.55	-0.7%	310.14	-2.1%
Total % Change 1978 to 1984	94.25%		49.12%		19.51%		-8.26%	
Compound Annual Growth Rate		11.7%		6.9%		3.0%		-1.4%
Total % Change 1985 to 2005	158.87%		139.71%		42.89%		32.31%	
Compound Annual Growth Rate		4.9%		4.5%		1.8%		1.4%
Total % Change 1978 to 2005	441.08%		264.97%		76.81%		19.26%	
Compound Annual Growth Rate		6.5%		4.9%		2.1%		0.7%

¹⁸ For a discussion of Wisconsin's cigarette and tobacco taxes see Wisconsin Department of Revenue (January 31, 2003) "Wisconsin's General Fund Excise Taxes," available at: <http://www.dor.state.wi.us/ra/03excise.pdf>

SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Figure OTR-5.1: State Motor Vehicle Fuel Tax Revenue Compared to Cigarette and Tobacco Tax Revenue (millions)

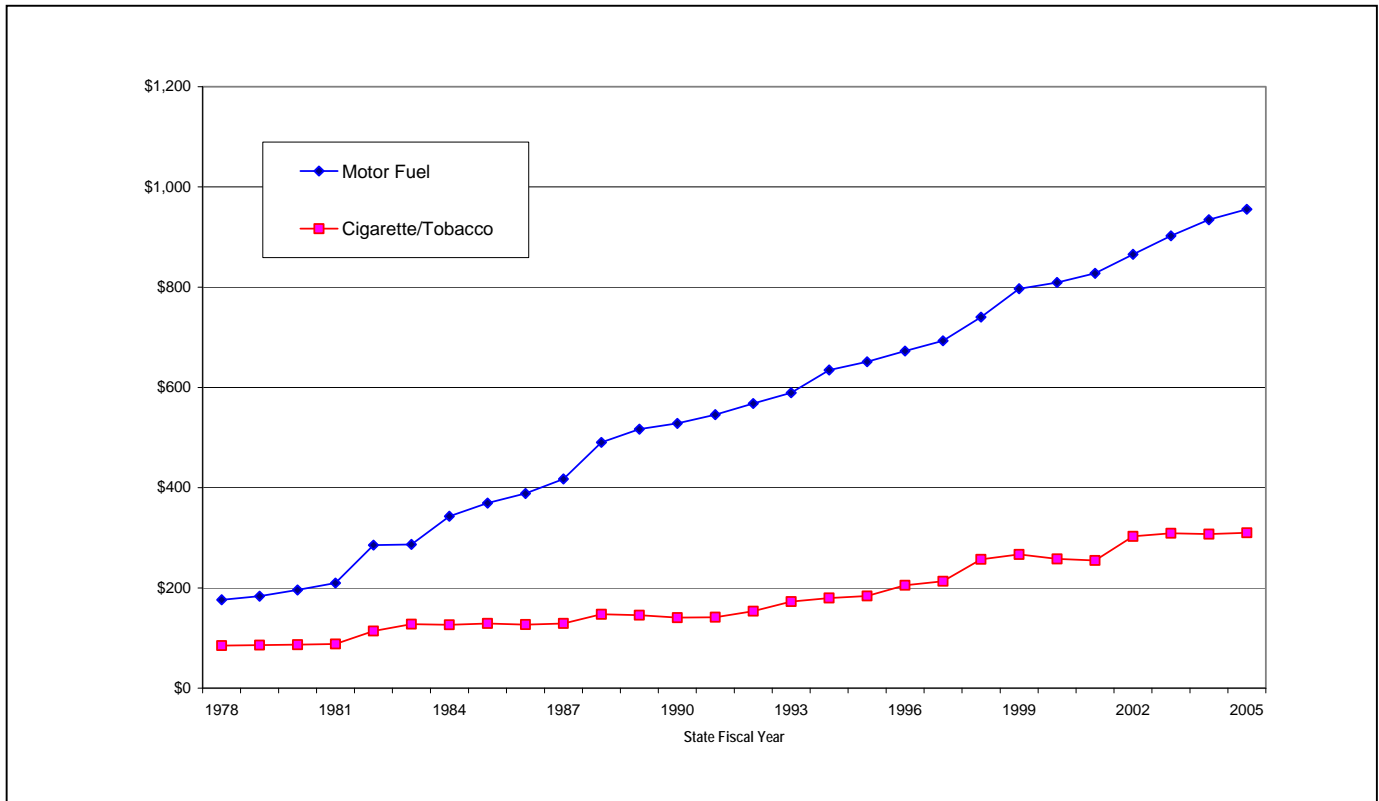
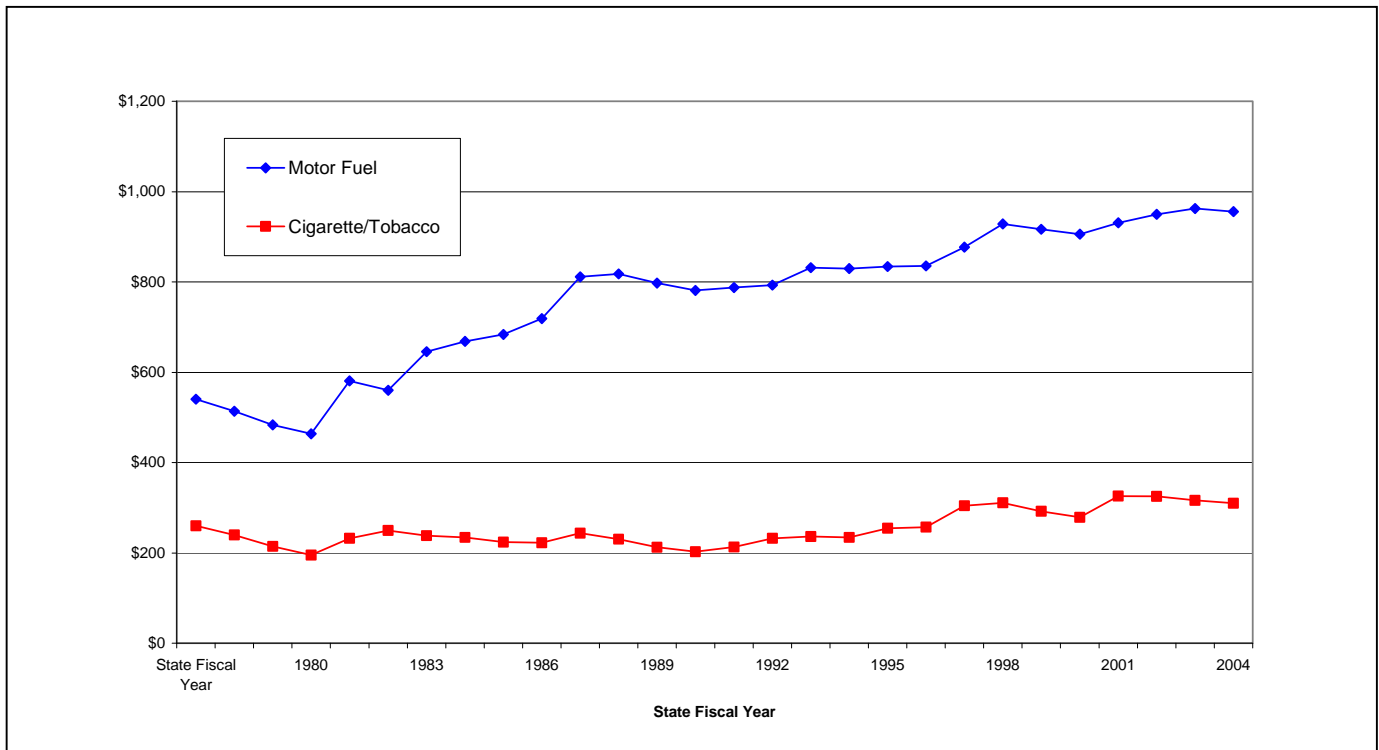


Figure OTR-5.2: State Motor Vehicle Fuel Tax Revenue Compared to Cigarette and Tobacco Tax Revenue (constant \$, millions)



SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Table OTR-6: State Motor Vehicle Fuel Tax Revenue Compared to Liquor, Wine and Beer Tax Revenue (millions) ¹⁹

State Fiscal Year	Nominal \$				Constant 2005 \$			
	Motor Fuel	Annual % Change	Liquor/Wine/Beer	Annual % Change	Motor Fuel	Annual % Change	Liquor/Wine/Beer	Annual % Change
1978	176.60		42.29		540.45		129.43	
1979	183.71	4.0%	39.06	-7.6%	513.93	-4.9%	109.28	-15.6%
1980	195.87	6.6%	40.78	4.4%	483.69	-5.9%	100.72	-7.8%
1981	209.61	7.0%	41.56	1.9%	463.79	-4.1%	91.95	-8.7%
1982	285.38	36.2%	47.17	13.5%	581.00	25.3%	96.04	4.4%
1983	286.84	0.5%	42.56	-9.8%	560.03	-3.6%	83.09	-13.5%
1984	343.05	19.6%	44.96	5.7%	645.86	15.3%	84.65	1.9%
1985	369.12	7.6%	43.86	-2.4%	668.72	3.5%	79.47	-6.1%
1986	388.50	5.3%	39.83	-9.2%	683.96	2.3%	70.12	-11.8%
1987	417.38	7.4%	44.59	11.9%	719.07	5.1%	76.82	9.5%
1988	490.39	17.5%	39.06	-12.4%	811.36	12.8%	64.62	-15.9%
1989	516.82	5.4%	39.71	1.7%	817.68	0.8%	62.83	-2.8%
1990	528.22	2.2%	39.80	0.2%	797.53	-2.5%	60.09	-4.4%
1991	545.66	3.3%	39.79	0.0%	781.05	-2.1%	56.95	-5.2%
1992	567.93	4.1%	39.66	-0.3%	787.78	0.9%	55.02	-3.4%
1993	589.43	3.8%	40.34	1.7%	792.83	0.6%	54.26	-1.4%
1994	634.63	7.7%	39.40	-2.3%	831.79	4.9%	51.64	-4.8%
1995	651.19	2.6%	39.58	0.5%	829.85	-0.2%	50.44	-2.3%
1996	672.52	3.3%	40.00	1.1%	834.29	0.5%	49.62	-1.6%
1997	692.89	3.0%	40.56	1.4%	835.81	0.2%	48.92	-1.4%
1998	740.21	6.8%	42.00	3.5%	877.15	4.9%	49.76	1.7%
1999	797.02	7.7%	42.10	0.3%	928.41	5.8%	49.04	-1.4%
2000	809.46	1.6%	43.96	4.4%	916.48	-1.3%	49.77	1.5%
2001	827.47	2.2%	44.91	2.2%	905.79	-1.2%	49.16	-1.2%
2002	865.45	4.6%	45.58	1.5%	931.07	2.8%	49.04	-0.2%
2003	902.48	4.3%	45.56	-0.1%	949.89	2.0%	47.95	-2.2%
2004	934.60	3.6%	48.07	5.5%	962.65	1.3%	49.51	3.3%
2005	955.55	2.2%	49.30	2.6%	955.55	-0.7%	49.30	-0.4%
Total % Change 1978 to 1984	94.3%		6.3%		19.5%		-34.6%	
Compound Annual Growth Rate		11.7%		1.0%		3.0%		-6.8%
Total % Change 1985 to 2005	158.9%		12.4%		42.9%		-38.0%	
Compound Annual Growth Rate		4.9%		0.6%		1.8%		-2.4%
Total % Change 1978 to 2005	441.1%		16.6%		76.8%		-61.9%	
Compound Annual Growth Rate		6.5%		0.6%		2.1%		-3.5%

¹⁹ For a discussion of Wisconsin's cigarette and tobacco taxes see Wisconsin Department of Revenue (January 31, 2003) "Wisconsin's General Fund Excise Taxes," available at: <http://www.dor.state.wi.us/ra/03excise.pdf>

SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Figure OTR-6.1: State Motor Vehicle Fuel Tax Revenue Compared to Liquor, Wine and Beer Tax Revenue (nominal \$, millions)

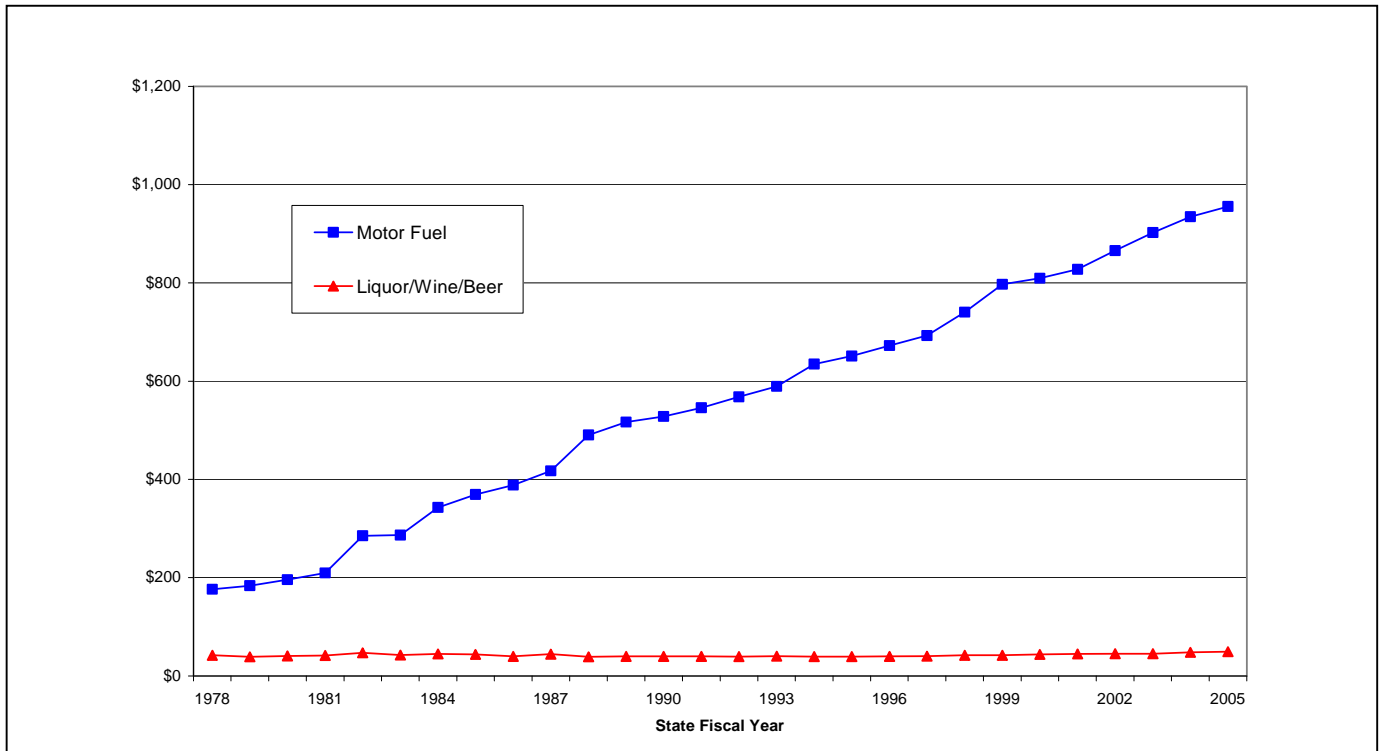
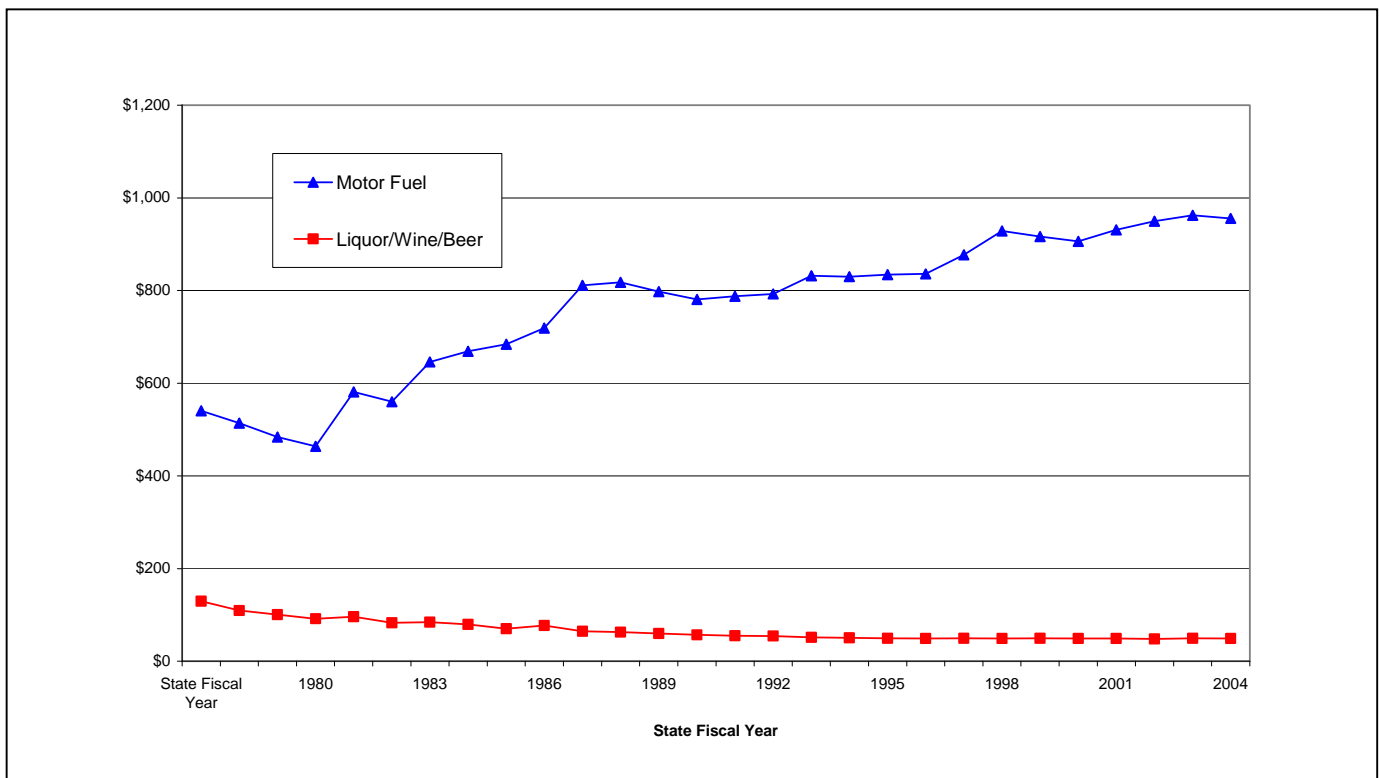


Figure OTR-6.2: State Motor Vehicle Fuel Tax Revenue Compared to Liquor, Wine and Beer Tax Revenue (constant 2005 \$, millions)



SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Figure OTR-7: State Tax Revenues (FY 1978)

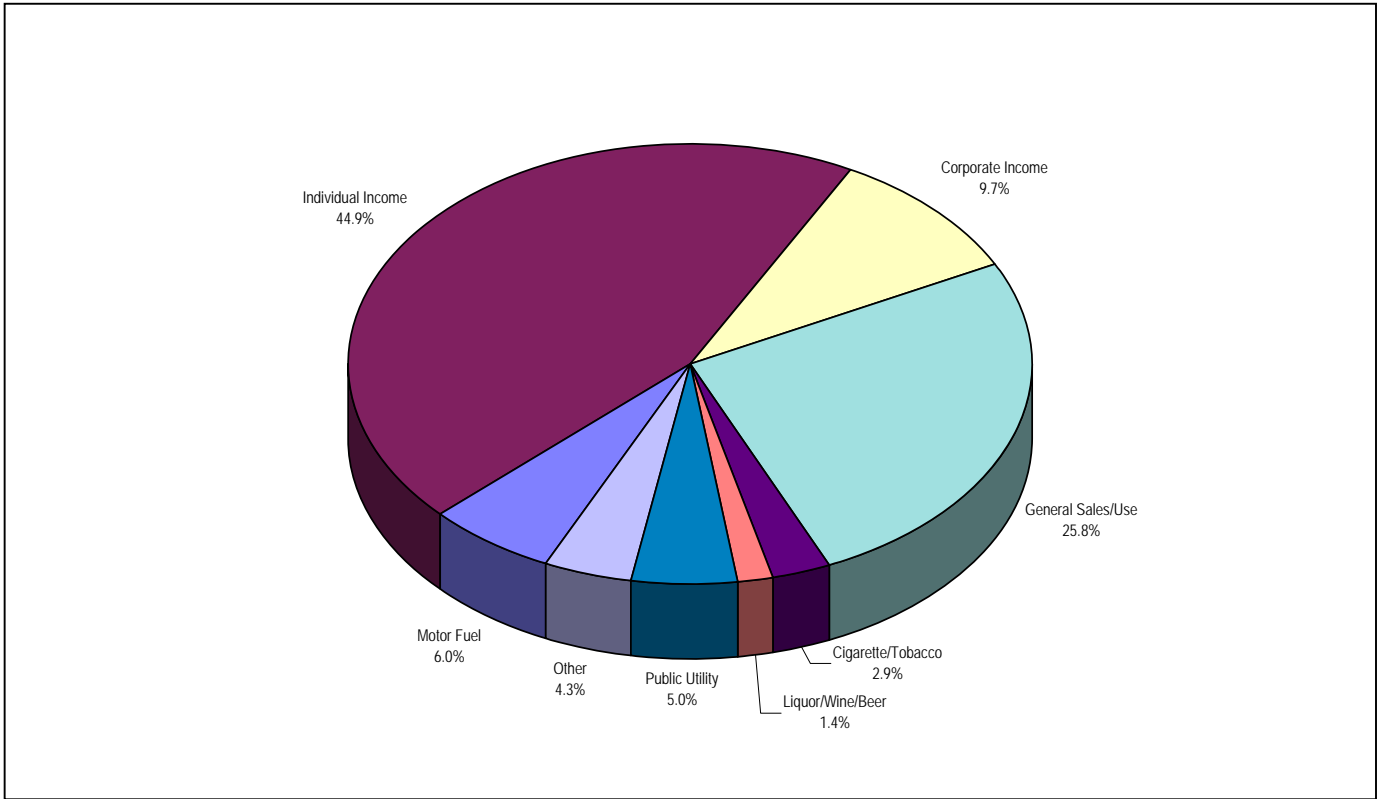
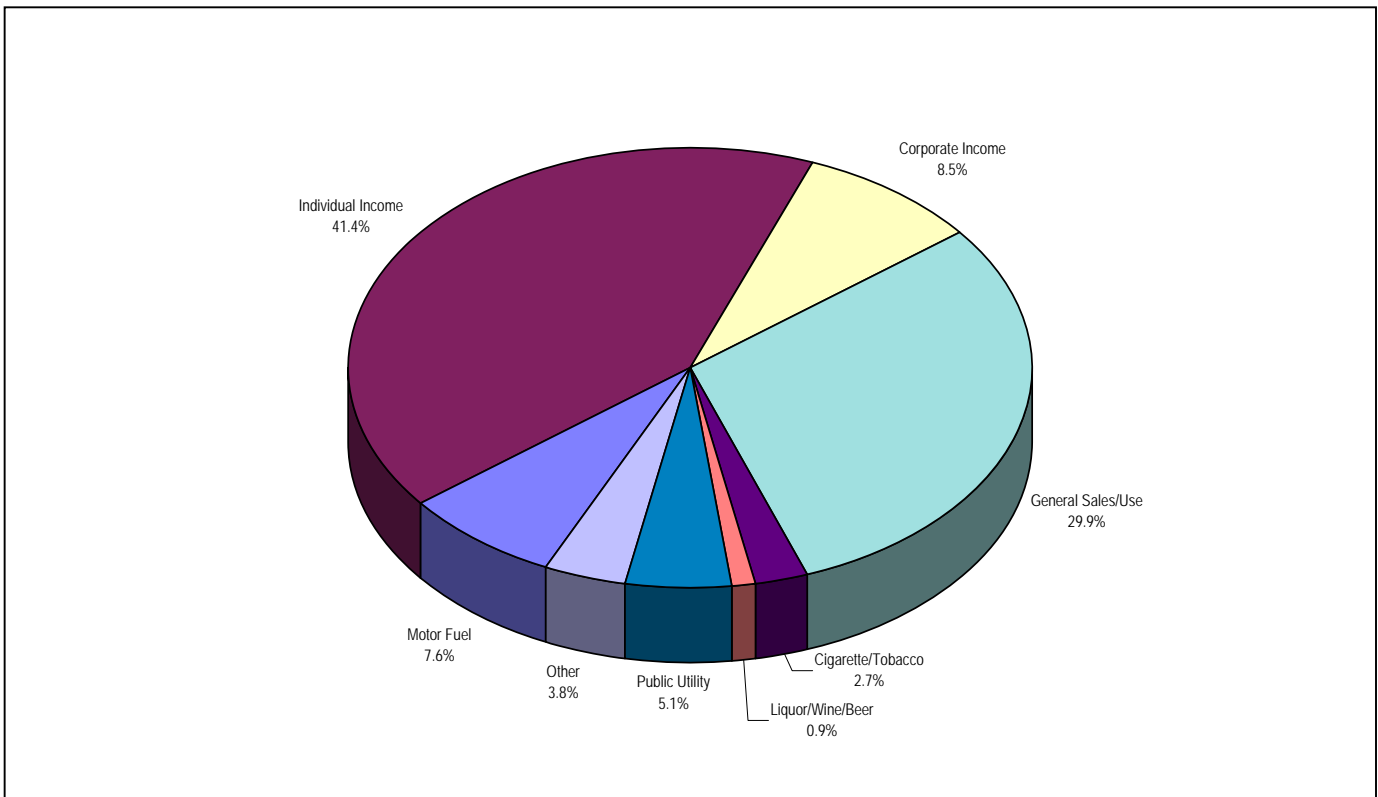
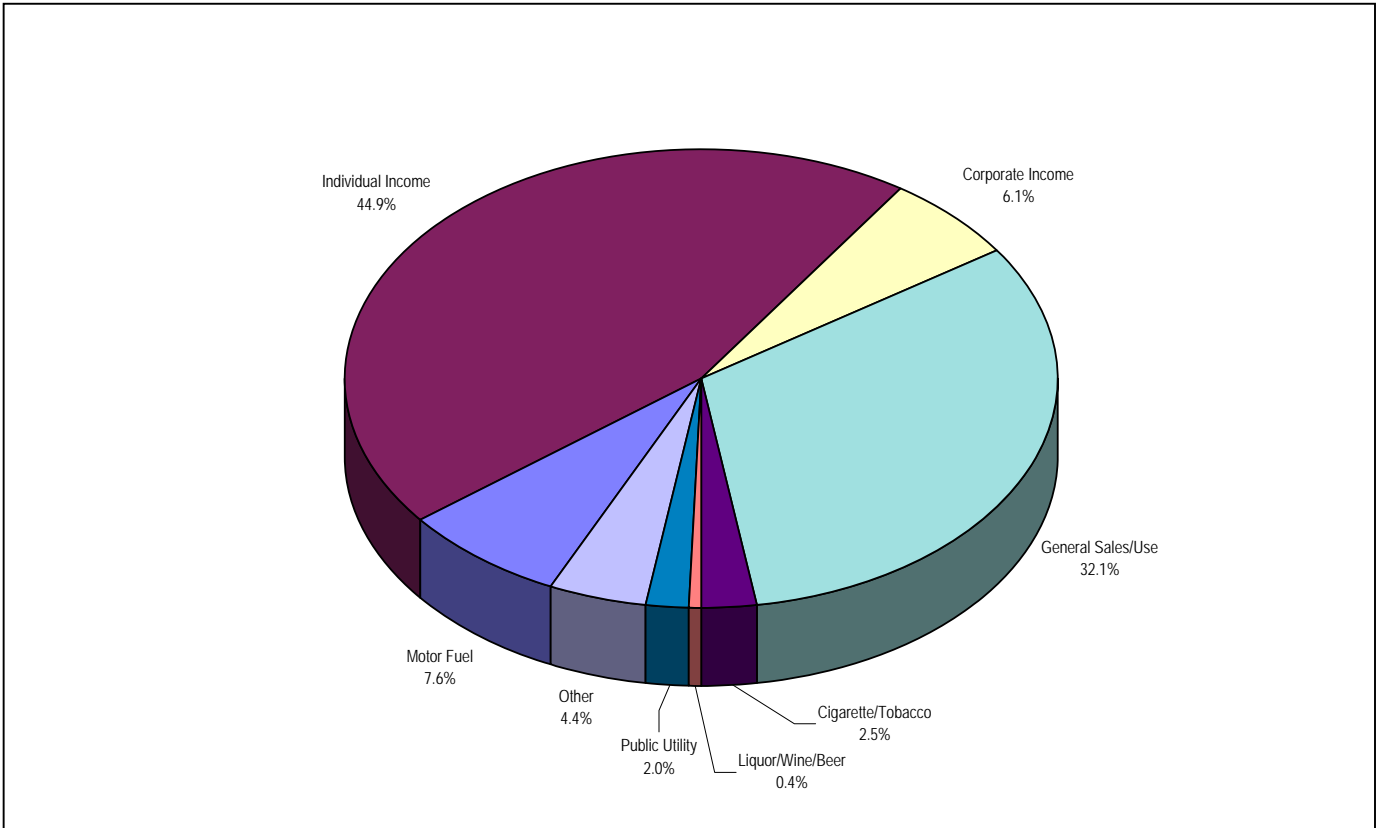


Figure OTR-7.1: State Tax Revenues (FY 1985)



SECTION 3: FUEL TAX REVENUE COMPARED TO OTHER STATE TAX REVENUES

Figure OTR-7.2: State Tax Revenues (FY 2005)



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4

TAXABLE FUEL CONSUMPTION

Annual consumption of gasoline used as motor vehicle fuel has increased in Wisconsin since the establishment of the Transportation Fund in 1978. In FY 05, these increases amounted to 13.1% compared to FY 78, and 32.1% compared to FY 85. These numbers reflect in part a lengthy period of stagnating consumption in the 1980s, when year-to-year gallonage actually declined in FY 80, 81, 82, 83, increased in 84, and then declined again in FY 85. Year to year declines in gasoline consumption were also recorded in FY 00 and 01.

Annual consumption of diesel fuel has experienced more consistent, robust growth than gasoline. In FY 05 consumption of diesel in Wisconsin increased by 160.5% compared to FY 78, and 102.6% compared to FY 85. Like gasoline, diesel fuel consumption in Wisconsin has also experienced several year-to-year declines since 1978, but not so many as consumption of gasoline, including declines in FY 82, 00 and 05.

Gasoline as a percentage of all motor vehicle fuel consumption has declined from an 89.2% share in FY 78, to 84.7% in FY 85, and 78.2% of all taxable consumption in FY 05. Diesel fuel on the other hand has increased its share of all motor vehicle fuel consumption from 10.8% in FY 78, to 15.3% in FY 85, and 21.7% in FY 05.

The consumption of LPG and CNG has been in general decline in Wisconsin since their definition by the legislature as “alternate fuels” in the middle 1990s.²⁰ Compared to FY 95, alternate fuel consumption declined by -57% in FY 05.

The consumption of general aviation fuel has been highly volatile over the past twenty years, although consumption in FY 05 was up by 65.7% compared to FY 85.

²⁰ Based on fragmentary OPBF information, an estimated 90% or more of alternate fuel consumption is LPG, with CNG accounting for the remaining amount.

SECTION 4: TAXABLE FUEL CONSUMPTION

Table MFC-1: Annual Taxable Gallons – Gasoline and Diesel Fuel

State Fiscal Year	Taxable Gallons Gasoline	Annual % Change	Taxable Gallons Diesel	Annual % Change
1978	2,262,441,479		272,959,536	
1979	2,302,283,524	1.8%	301,248,576	10.4%
1980	2,137,746,415	-7.1%	310,929,232	3.2%
1981	2,018,634,278	-5.6%	311,520,816	0.2%
1982	1,943,435,551	-3.7%	304,233,216	-2.3%
1983	1,898,819,472	-2.3%	310,448,805	2.0%
1984	1,958,309,015	3.1%	350,552,941	12.9%
1985	1,936,723,876	-1.1%	350,943,876	0.1%
1986	1,954,240,200	0.9%	365,425,998	4.1%
1987	1,992,669,377	2.0%	375,754,979	2.8%
1988	2,036,848,821	2.2%	408,427,065	8.7%
1989	2,053,278,974	0.8%	429,138,184	5.1%
1990	2,077,438,110	1.2%	442,240,394	3.1%
1991	2,074,496,335	-0.1%	444,945,048	0.6%
1992	2,101,363,668	1.3%	460,792,432	3.6%
1993	2,139,954,004	1.8%	485,961,053	5.5%
1994	2,209,570,074	3.3%	527,169,670	8.5%
1995	2,248,877,504	1.8%	568,030,103	7.8%
1996	2,311,317,931	2.8%	566,170,482	-0.3%
1997	2,337,664,691	1.1%	596,970,107	5.4%
1998	2,386,079,620	2.1%	624,013,448	4.5%
1999	2,453,763,123	2.8%	666,937,235	6.9%
2000	2,450,652,401	-0.1%	660,528,513	-1.0%
2001	2,425,233,867	-1.0%	667,016,521	1.0%
2002	2,467,789,057	1.8%	682,202,178	2.3%
2003	2,516,653,281	2.0%	687,915,069	0.8%
2004	2,558,594,136	1.7%	714,571,285	3.9%
2005	2,558,957,082	0.0%	710,961,029	-0.5%
Total % Change 1978 to 1984	-13.4%		28.4%	
Compound Annual Growth Rate		-2.4%		4.3%
Total % Change 1985 to 2005	32.1%		102.6%	
Compound Annual Growth Rate		1.4%		3.6%
Total % Change 1978 to 2005	13.1%		160.5%	
Compound Annual Growth Rate		0.5%		3.6%

SECTION 4: TAXABLE FUEL CONSUMPTION

Figure MFC-1.1: Annual Taxable Gallons – Gasoline and Diesel Fuel

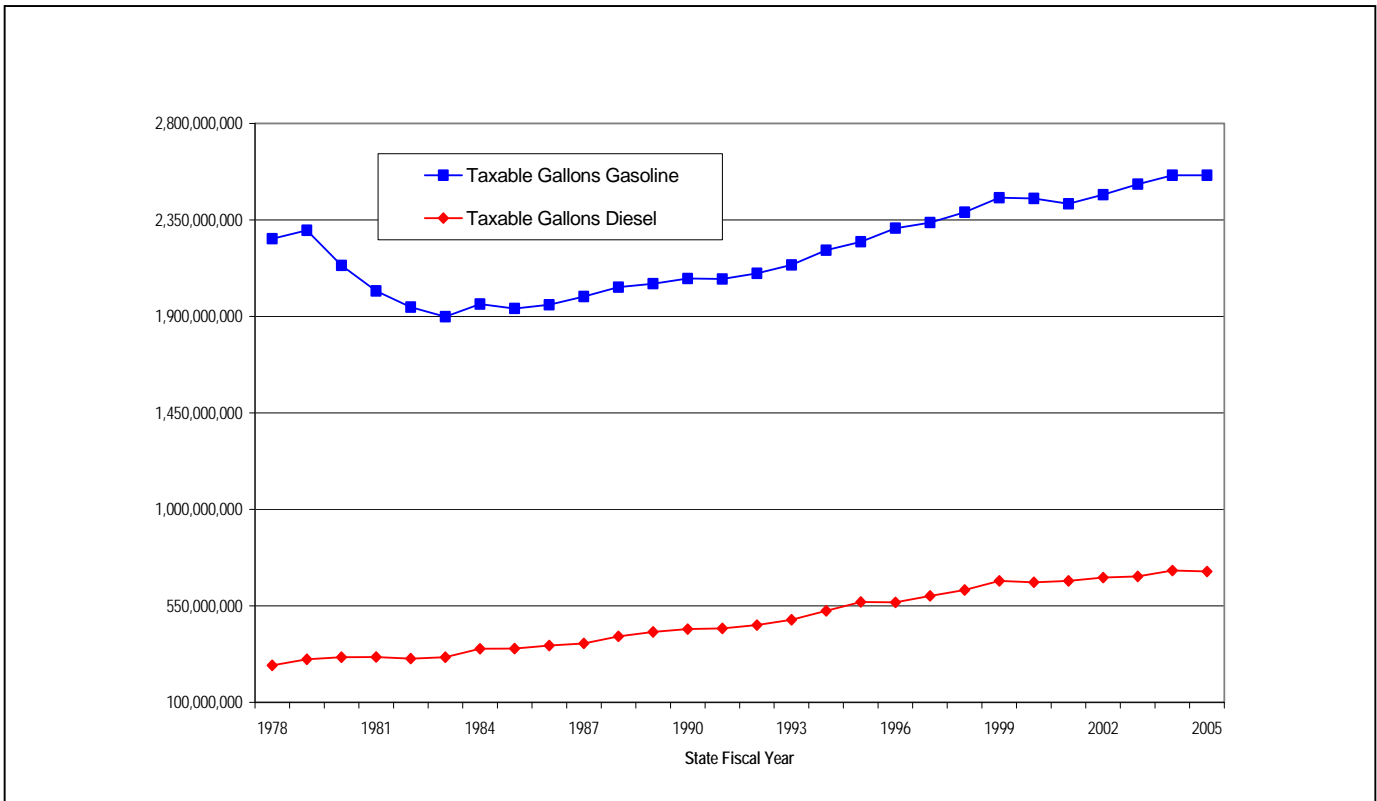
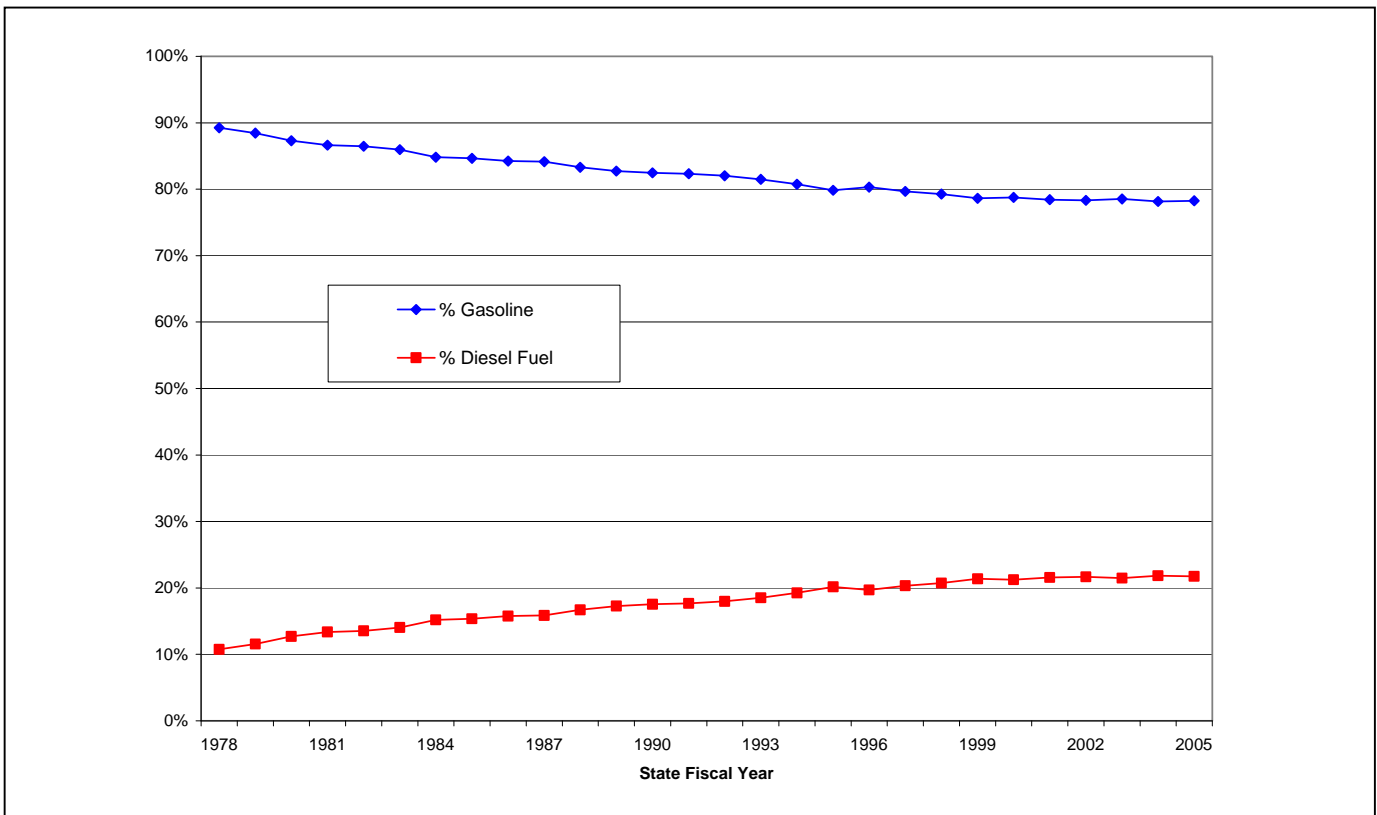


Figure MFC-1.2: Share of Taxable Motor Vehicle Fuel Consumption

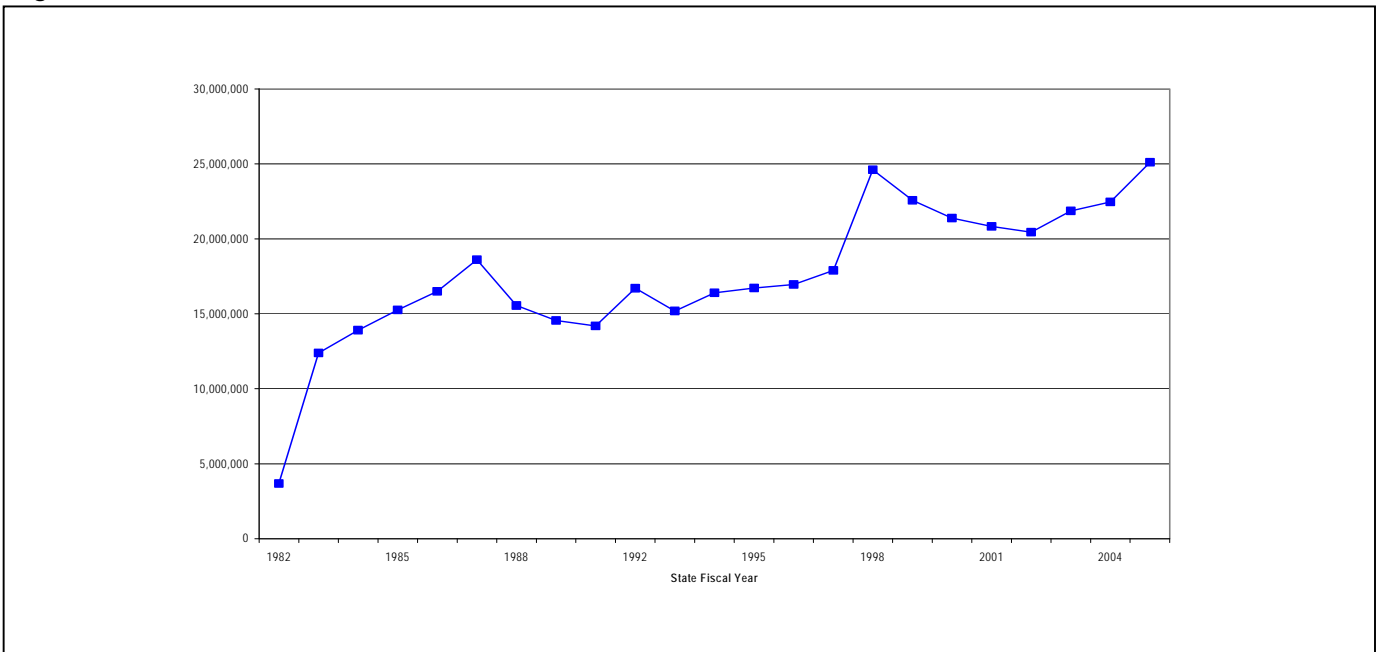


SECTION 4: TAXABLE FUEL CONSUMPTION

Table MFC-2: Annual Taxable Gallons – General Aviation Fuel

State Fiscal Year	Taxable Gallons Aviation Fuel	Annual % Change
1982	3,674,925	
1983	12,385,120	237.0%
1984	13,908,993	12.3%
1985	15,256,357	9.7%
1986	16,491,556	8.1%
1987	18,612,622	12.9%
1988	15,557,856	-16.4%
1989	14,548,049	-6.5%
1990	N/A	N/A
1991	14,188,504	N/A
1992	16,707,231	17.8%
1993	15,186,382	-9.1%
1994	16,394,944	8.0%
1995	16,712,838	1.9%
1996	16,948,616	1.4%
1997	17,891,116	5.6%
1998	24,600,100	37.5%
1999	22,569,200	-8.3%
2000	21,382,816	-5.3%
2001	20,835,082	-2.6%
2002	20,439,599	-1.9%
2003	21,859,683	6.9%
2004	22,465,267	2.8%
2005	25,105,570	11.8%
Total % Change 1978 to 1984 Compound Annual Growth Rate	N/A	N/A
Total % Change 1985 to 2005 Compound Annual Growth Rate	64.6%	2.5%
Total % Change 1978 to 2005 Compound Annual Growth Rate	N/A	N/A

Figure MFC-2.1: Annual Taxable Gallons – General Aviation Fuel

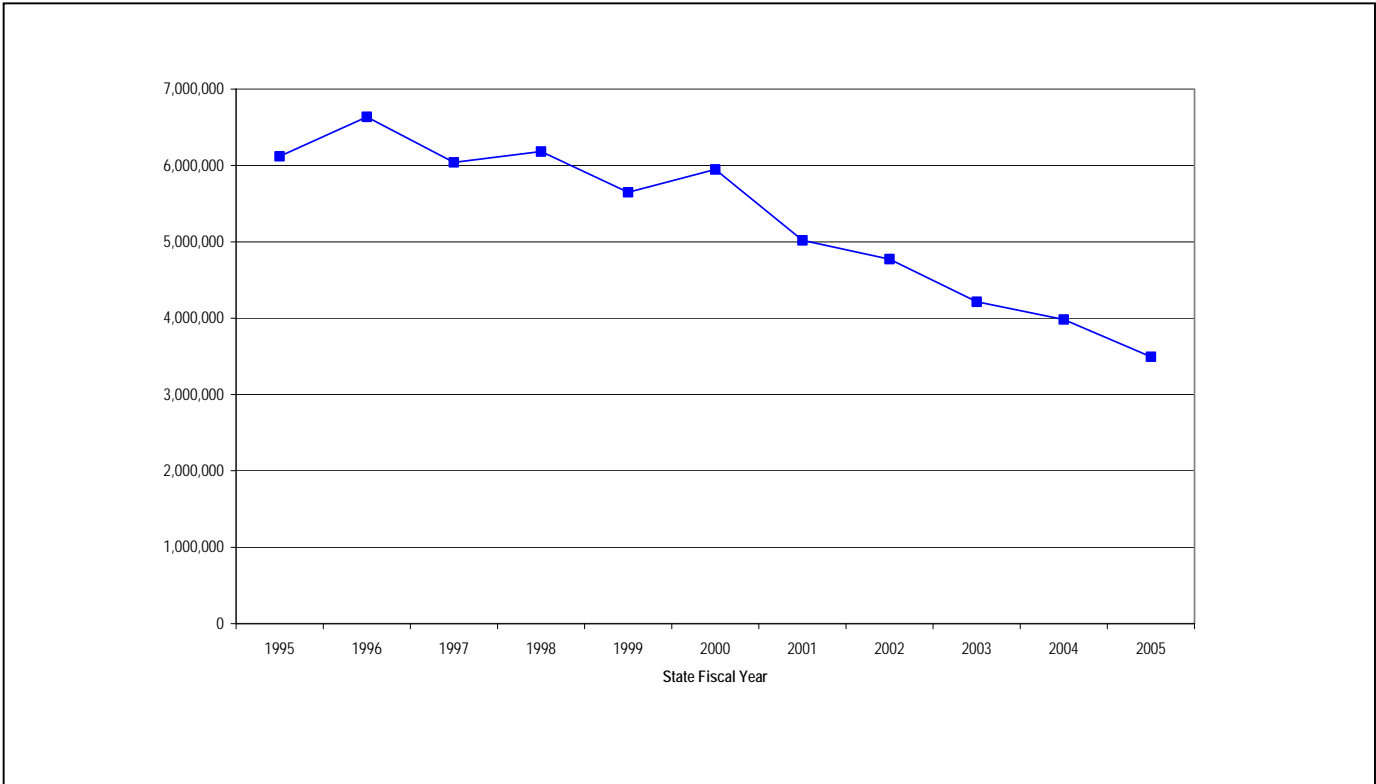


SECTION 4: TAXABLE FUEL CONSUMPTION

Figure MFC-3: Annual Taxable Gallons – Alternate Fuels²¹

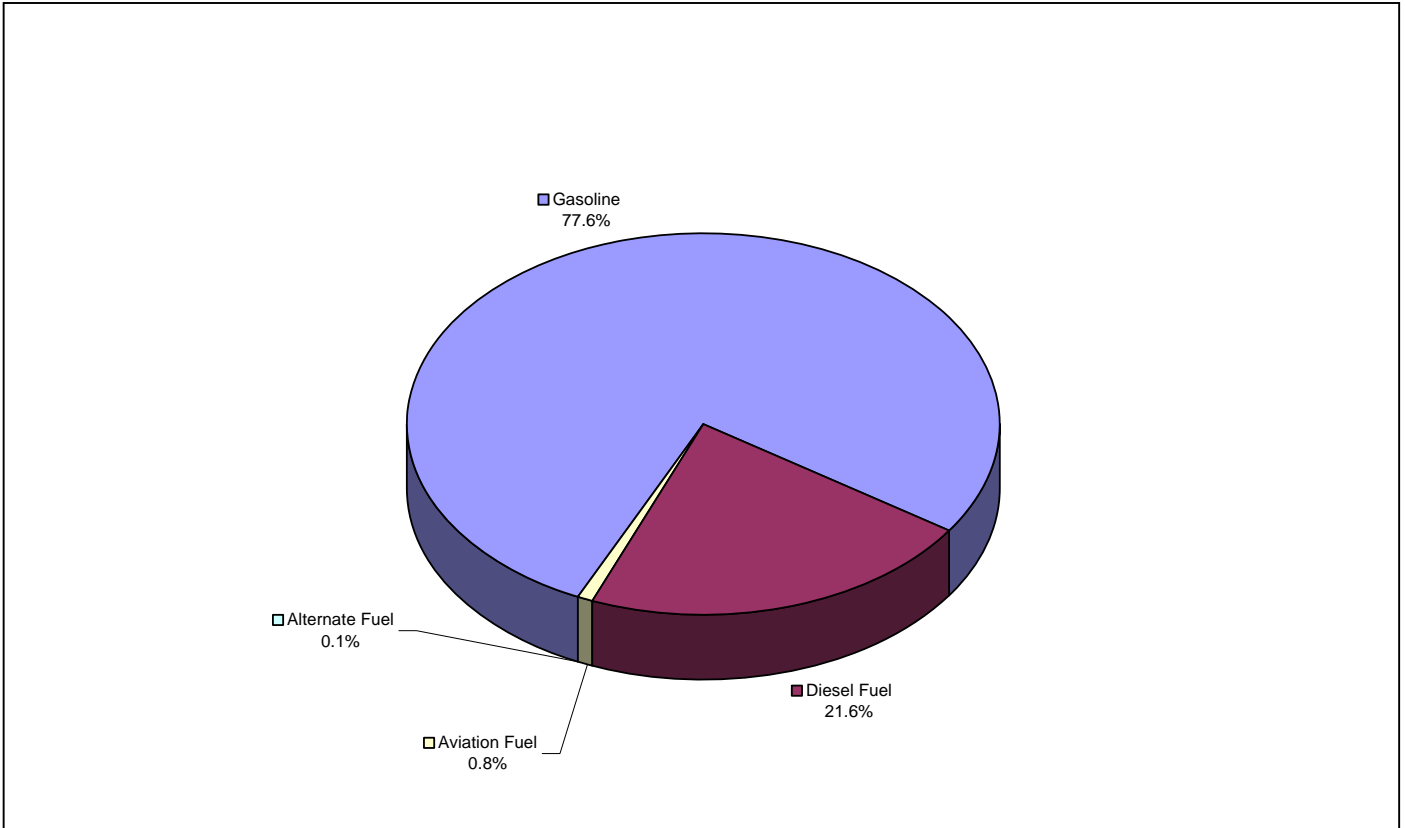
State Fiscal Year	Taxable Gallons Alternate Fuel	Annual % Change
1995	6,119,386	
1996	6,637,184	8.5%
1997	6,041,182	-9.0%
1998	6,180,716	2.3%
1999	5,647,299	-8.6%
2000	5,946,064	5.3%
2001	5,019,706	-15.6%
2002	4,773,141	-4.9%
2003	4,215,061	-11.7%
2004	3,982,168	-5.5%
2005	3,493,892	-12.3%
Total % Change 1995 to 2005	N/A	N/A
Compound Annual Growth Rate		
Total % Change 1996 to 2005	N/A	N/A
Compound Annual Growth Rate		
Total % Change 1995 to 2005	N/A	N/A
Compound Annual Growth Rate		

Figure MFC-3.1: Annual Taxable Gallons – Alternate Fuels



²¹ Includes compressed natural gas (CNG) and liquid propane gas (LPG). Ethanol blended gasoline and biodiesel fuels are defined by state statute as gasoline and diesel fuel respectively.

Figure MFC 4: *Estimated Share of All Taxable Consumption by Fuel Source (FY 2005)*



5

TRENDS RELATED TO MOTOR FUEL
CONSUMPTION

This section provides yearly data summarizing trends related to motor vehicle fuel consumption, including:

- Wisconsin Population – The state has experienced steadily increasing population among its work age (20 – 64) residents since 1980. Long and short-term growth has occurred among residents of retirement age. Growth has been especially strong among those over the age of 65, although these individuals comprise a small portion of the total Wisconsin population. However, Wisconsin has recently experienced generally negative population growth in the 0 – 19 age group.
- Wisconsin Personal and Disposable Income Growth – Both personal and disposable incomes have increased in Wisconsin throughout the period from 1980 to 2005. However, high inflation rates during the late 1970s and early 1980s washed out most gains in this period. Since the early 80s disposable income has generally increased year-to-year in constant dollars, ranging from a high of 4.5% in FY 84 to a decline of -0.47% in FY 91.
- Wisconsin Annual Unemployment Rate – After a period of high unemployment in the 1980s, the state unemployment rate has moderated, ranging from a low of 3.1% in FY 00 and a high of 5.5% in FY 03.
- National Consumer Price Index – Inflation peaked in the late 1970s and early 80s, with the year-to-year change in the index reaching 13.3% in FY 80. Since that time the CPI has been generally stable, with annual changes ranging from a low of 1.7% in FY 99 and a high of 5.5% in FY 91.
- National Consumer Sentiment Index – The CSI has been highly volatile following a period of strongly declining consumer sentiment from FY 78 to FY 80. The year-to-year change in the index has ranged from 18.2% in FY 84 to a decline of -16.6% in FY 91.
- National Industrial Production Index – This index has generally increased year-to-year, after a period of declining index numbers in the early 1980s.
- National Average Retail Price of Gasoline – Gasoline prices, measured in constant 2005 dollars, experienced sharp increases in the late 1970s, reaching as high as \$3.07 in 1980 before declining to \$2.11 in 1985. Between 1986 and 2003, prices were generally stable and relatively low, ranging from a constant dollar high of \$1.70 in 1990, to a low of \$1.22 in 1998.

- National Average MPG of Light Vehicle Stock – The average year-to-year change in light vehicle fuel efficiency increased throughout the late 1970s and 80s. However, since the early 1990s the year-to-year change in average light vehicle MPG has been generally negative or close to zero.

In summary, since the mid-1980s an expanding working age population, generally rising incomes, increasing industrial production, relatively low unemployment and inflation, relatively low and stable gasoline prices, and stagnant to declining fuel efficiency within the light vehicle fleet have supported increasing motor vehicle fuel consumption and in turn, rising motor vehicle fuel revenues.

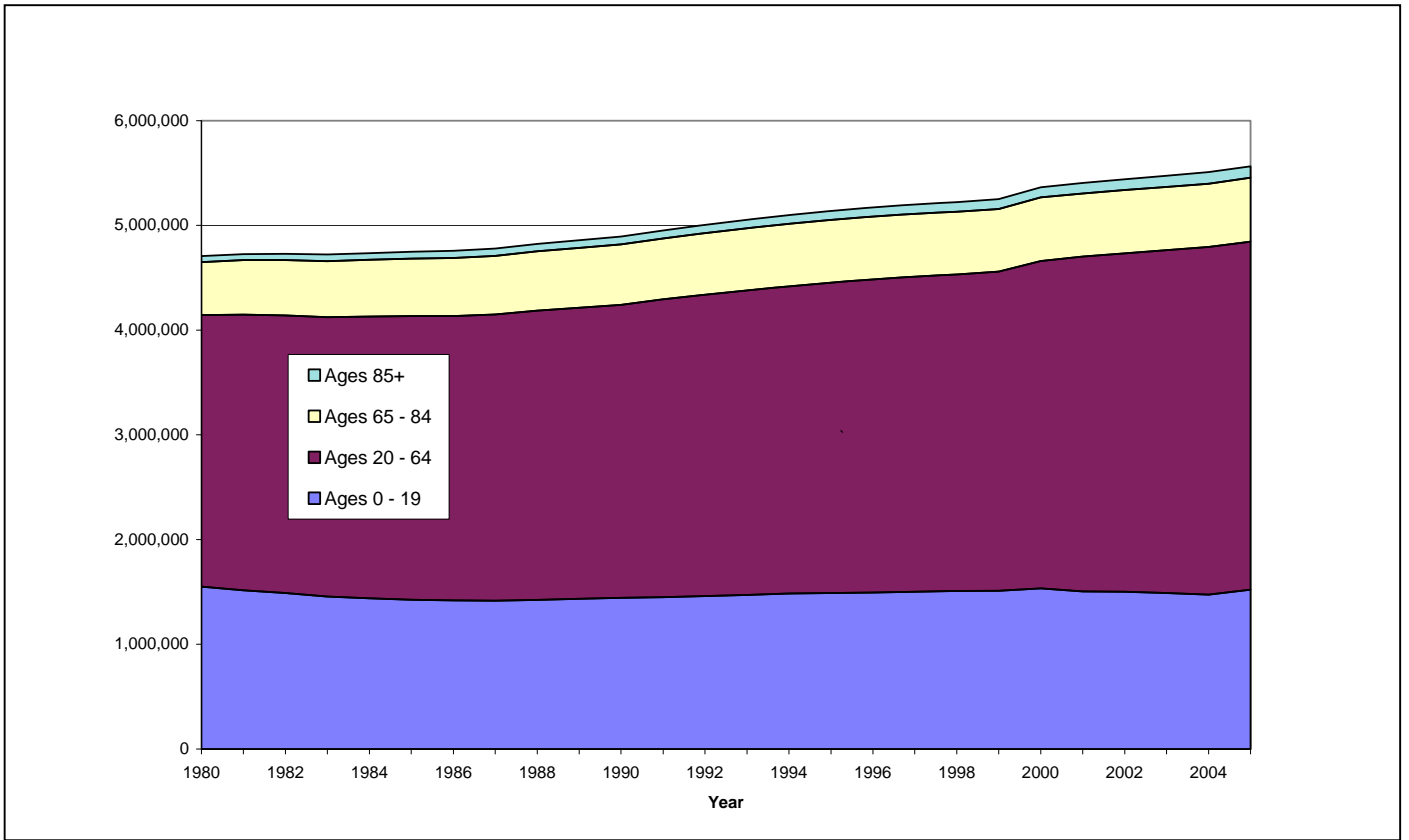
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SECTION 5: TRENDS RELATED TO MOTOR FUEL CONSUMPTION

Table FAC-1: Wisconsin Population

Year	Ages 0 - 19	Ages 20 - 64	Ages 65 - 84	Ages 85+	Total Population
1980	1,550,603	2,590,967	508,560	55,637	4,705,767
1981	1,516,444	2,631,372	519,962	58,561	4,726,339
1982	1,489,256	2,650,868	528,078	60,674	4,728,876
1983	1,456,638	2,666,089	536,126	62,592	4,721,445
1984	1,439,101	2,690,269	541,622	64,584	4,735,576
1985	1,426,285	2,708,413	547,026	66,029	4,747,753
1986	1,418,972	2,715,843	553,131	67,679	4,755,625
1987	1,417,318	2,731,014	559,948	69,650	4,777,930
1988	1,424,313	2,761,340	565,870	70,879	4,822,402
1989	1,434,642	2,777,248	572,199	72,486	4,856,575
1990	1,442,652	2,798,964	576,666	73,487	4,891,769
1991	1,450,447	2,842,880	582,689	76,659	4,952,675
1992	1,461,619	2,876,262	587,751	79,004	5,004,636
1993	1,471,540	2,908,944	593,131	81,703	5,055,318
1994	1,483,949	2,932,689	595,661	83,205	5,095,504
1995	1,489,643	2,962,229	599,376	85,756	5,137,004
1996	1,494,454	2,991,066	600,650	87,658	5,173,828
1997	1,502,674	3,007,816	599,642	90,103	5,200,235
1998	1,508,567	3,022,559	598,503	92,495	5,222,124
1999	1,511,102	3,047,935	596,751	94,658	5,250,446
2000	1,532,093	3,129,029	606,928	95,625	5,363,675
2001	1,504,109	3,196,788	604,407	100,601	5,405,905
2002	1,503,231	3,229,805	603,973	103,358	5,440,367
2003	1,488,742	3,274,484	603,618	107,446	5,474,290
2004	1,474,289	3,319,169	604,541	111,027	5,509,026
2005	1,522,219	3,322,415	610,805	108,457	5,563,896
Total % Change 1980 to 1984	-7.2%	3.8%	6.5%	16.1%	0.6%
Compound Annual Growth Rate	-1.8%	0.9%	1.6%	3.8%	0.2%
Total % Change 1985 to 2005	6.7%	22.7%	11.7%	64.3%	17.2%
Compound Annual Growth Rate	0.3%	1.0%	0.6%	2.5%	0.8%
Total % Change 1980 to 2005	-1.8%	28.2%	20.1%	94.9%	18.2%
Compound Annual Growth Rate	-0.1%	1.0%	0.7%	2.7%	0.7%

Figure FAC-1.1: Wisconsin Population



SECTION 5: TRENDS RELATED TO MOTOR FUEL CONSUMPTION

Table FAC-2: Wisconsin Personal and Disposable Income Growth (billions)

State Fiscal Year	Nominal \$				Constant 2005 \$			
	Disposable Income	Annual % Change	Personal Income	Annual % Change	Disposable Income	Annual % Change	Personal Income	Annual % Change
1978	31.34		36.14		95.92		110.59	
1979	34.91	11.38%	40.44	11.92%	97.66	1.81%	113.14	2.31%
1980	39.27	12.50%	45.28	11.95%	96.98	-0.69%	111.81	-1.17%
1981	43.14	9.85%	49.80	10.00%	95.45	-1.58%	110.20	-1.44%
1982	46.59	8.00%	53.72	7.87%	94.85	-0.63%	109.37	-0.75%
1983	48.77	4.67%	55.66	3.61%	95.21	0.38%	108.67	-0.64%
1984	52.85	8.38%	59.81	7.46%	99.51	4.52%	112.61	3.62%
1985	56.75	7.37%	64.29	7.48%	102.81	3.32%	116.47	3.43%
1986	59.39	4.66%	67.26	4.62%	104.56	1.70%	118.42	1.67%
1987	62.26	4.83%	70.79	5.25%	107.26	2.58%	121.96	3.00%
1988	65.99	6.00%	75.22	6.25%	109.18	1.80%	124.45	2.04%
1989	71.07	7.69%	80.92	7.59%	112.44	2.98%	128.03	2.88%
1990	75.37	6.06%	86.15	6.46%	113.80	1.22%	130.08	1.60%
1991	79.13	4.99%	90.39	4.92%	113.27	-0.47%	129.38	-0.53%
1992	83.53	5.55%	95.27	5.39%	115.86	2.29%	132.15	2.13%
1993	88.61	6.09%	101.21	6.24%	119.19	2.88%	136.13	3.02%
1994	92.68	4.59%	106.29	5.02%	121.47	1.91%	139.31	2.34%
1995	98.79	6.59%	113.31	6.60%	125.90	3.64%	144.40	3.65%
1996	102.23	3.48%	117.97	4.11%	126.82	0.74%	146.34	1.35%
1997	107.88	5.53%	125.31	6.22%	130.13	2.61%	151.16	3.29%
1998	114.52	6.15%	133.75	6.74%	135.71	4.28%	158.50	4.86%
1999	121.26	5.88%	141.68	5.92%	141.25	4.08%	165.03	4.12%
2000	127.64	5.26%	149.47	5.50%	144.52	2.32%	169.23	2.54%
2001	133.90	4.91%	156.82	4.92%	146.58	1.43%	171.67	1.44%
2002	140.56	4.97%	160.90	2.60%	151.22	3.17%	173.09	0.83%
2003	145.59	3.58%	164.96	2.52%	153.24	1.34%	173.62	0.30%
2004	152.64	4.84%	171.29	3.84%	157.22	2.60%	176.43	1.62%
2005	160.68	5.27%	181.46	5.94%	160.68	2.20%	181.46	2.85%
Total % Change 1978 to 1984	68.6%		65.5%		3.7%		1.8%	
Compound Annual Growth Rate		9.1%		8.8%		0.6%		0.3%
Total % Change 1985 to 2005	183.1%		182.2%		56.3%		55.8%	
Compound Annual Growth Rate		5.3%		5.3%		2.3%		2.2%
Total % Change 1978 to 2005	412.6%		402.1%		67.5%		64.1%	
Compound Annual Growth Rate		6.2%		6.2%		1.9%		1.9%

SECTION 5: TRENDS RELATED TO MOTOR FUEL CONSUMPTION

Figure FAC-2.1: Wisconsin Personal and Disposable Income Growth (nominal \$, billions)

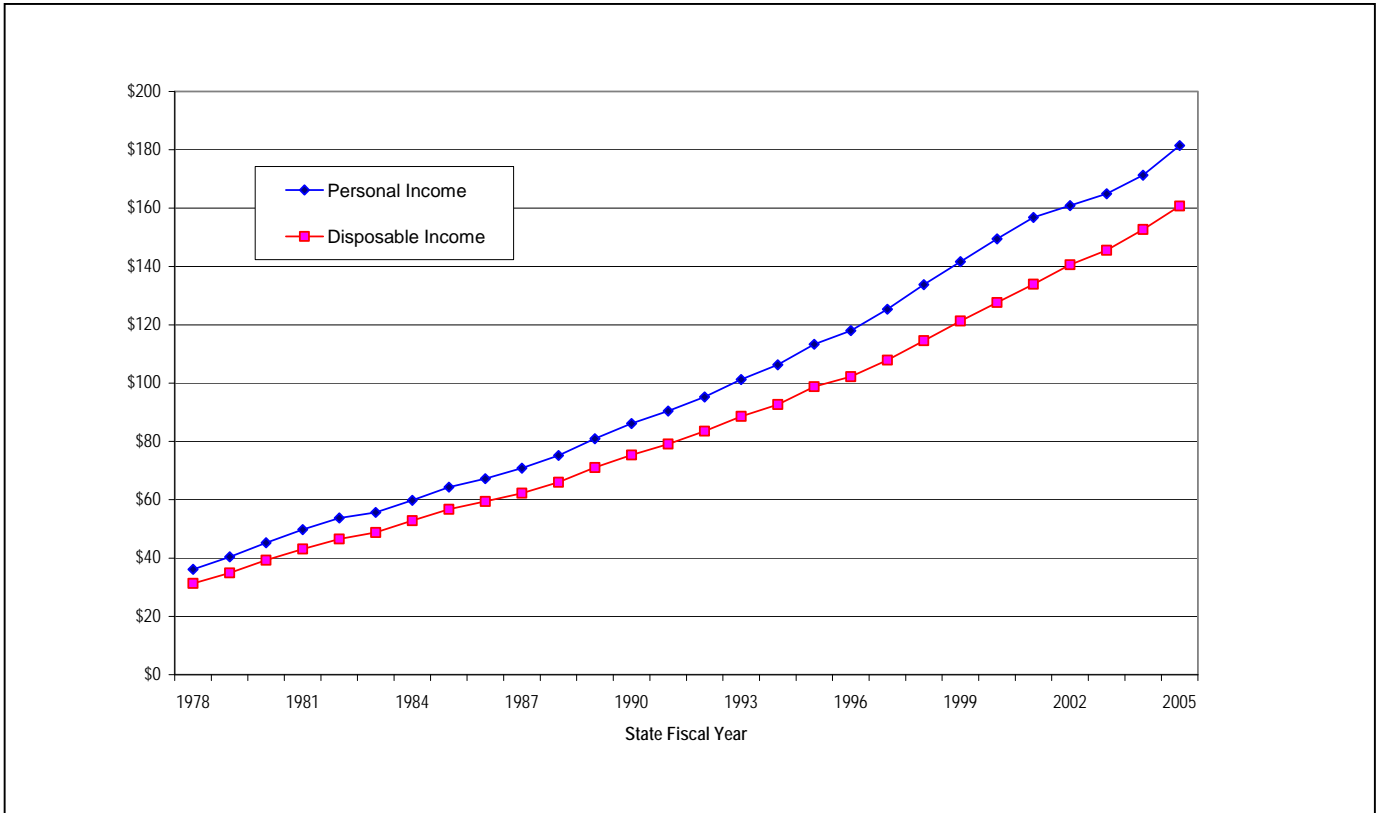


Figure FAC-2.2: Wisconsin Personal and Disposable Income Growth (constant 2005 \$, billions)

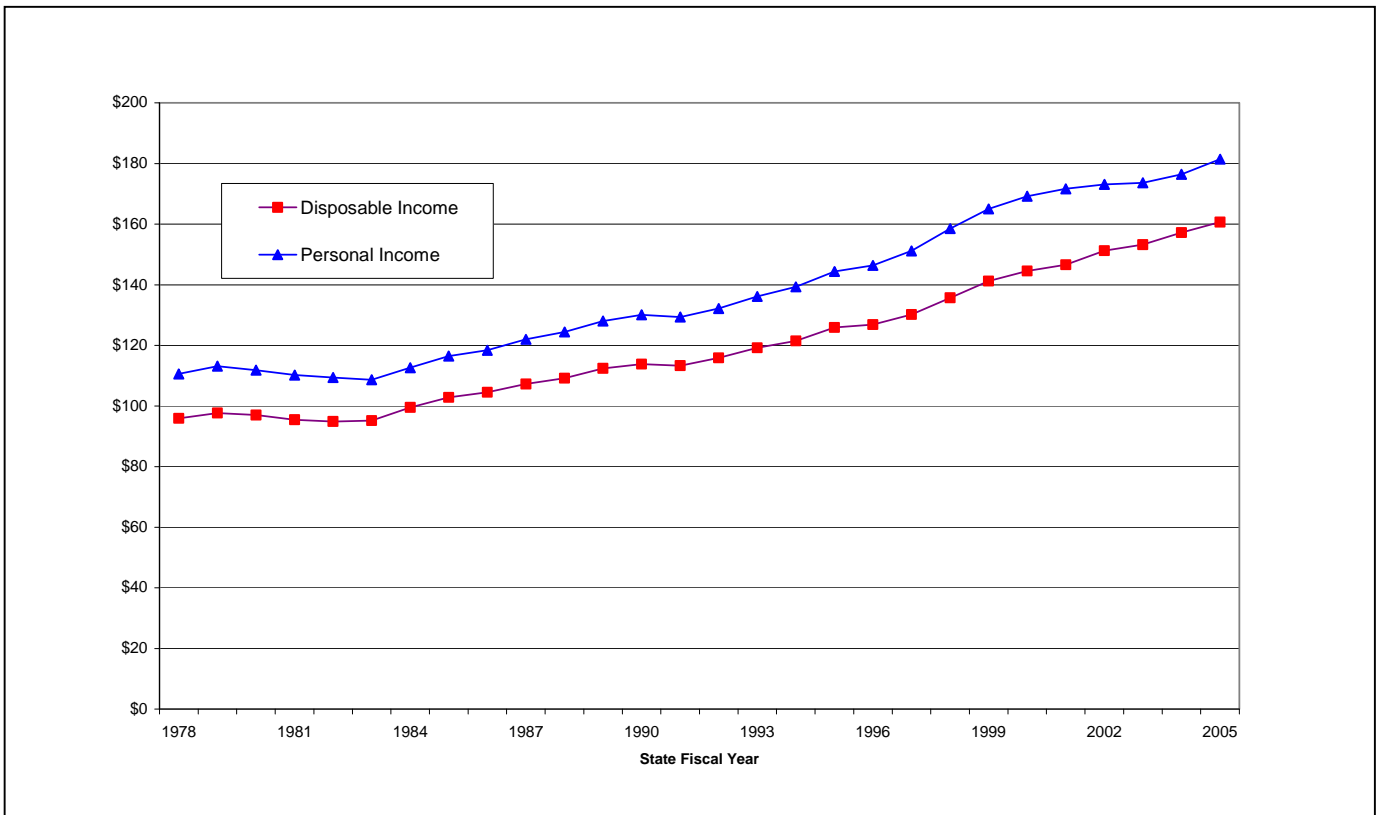
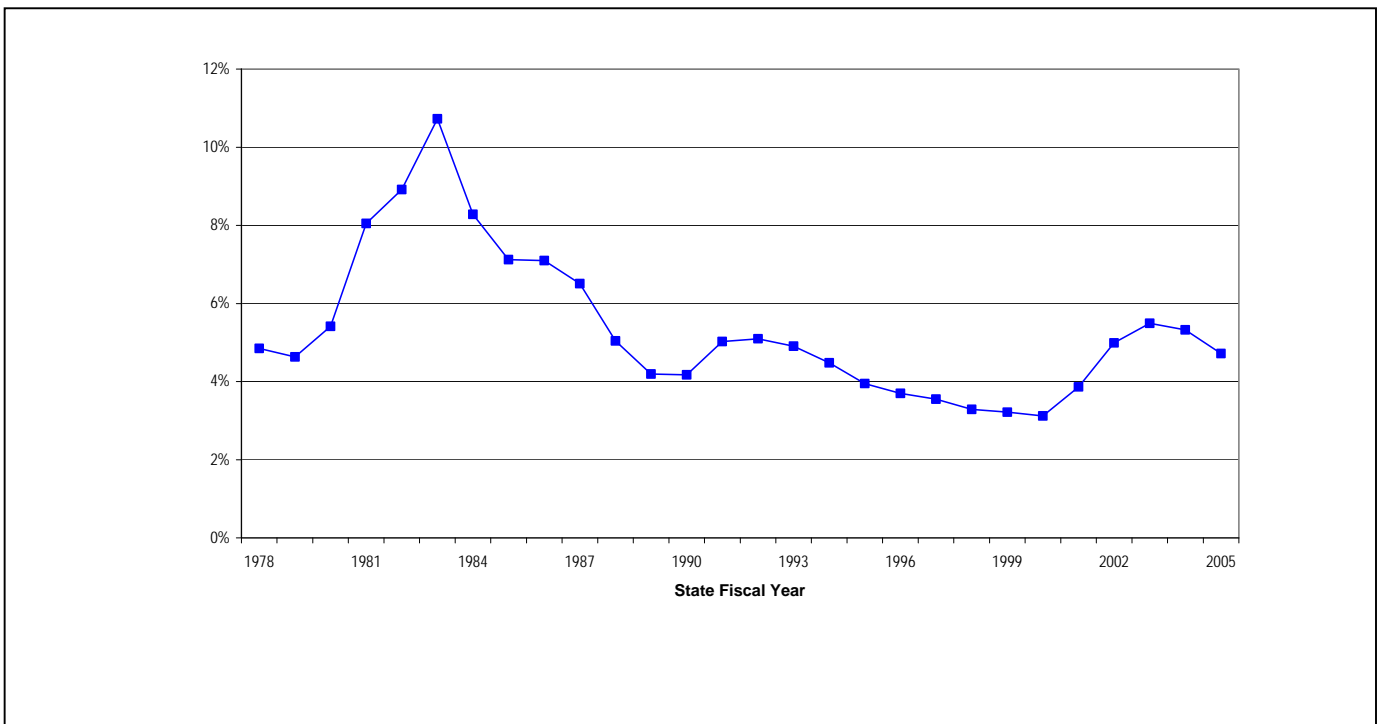


Table FAC-3: Wisconsin Unemployment Rate

State Fiscal Year	% Rate of Unemployment
1978	4.9
1979	4.6
1980	5.4
1981	8.1
1982	8.9
1983	10.7
1984	8.3
1985	7.1
1986	7.1
1987	6.5
1988	5.0
1989	4.2
1990	4.2
1991	5.0
1992	5.1
1993	4.9
1994	4.5
1995	4.0
1996	3.7
1997	3.5
1998	3.3
1999	3.2
2000	3.1
2001	3.9
2002	5.0
2003	5.5
2004	5.3
2005	4.7

Figure FAC-3.1: Wisconsin Unemployment Rate

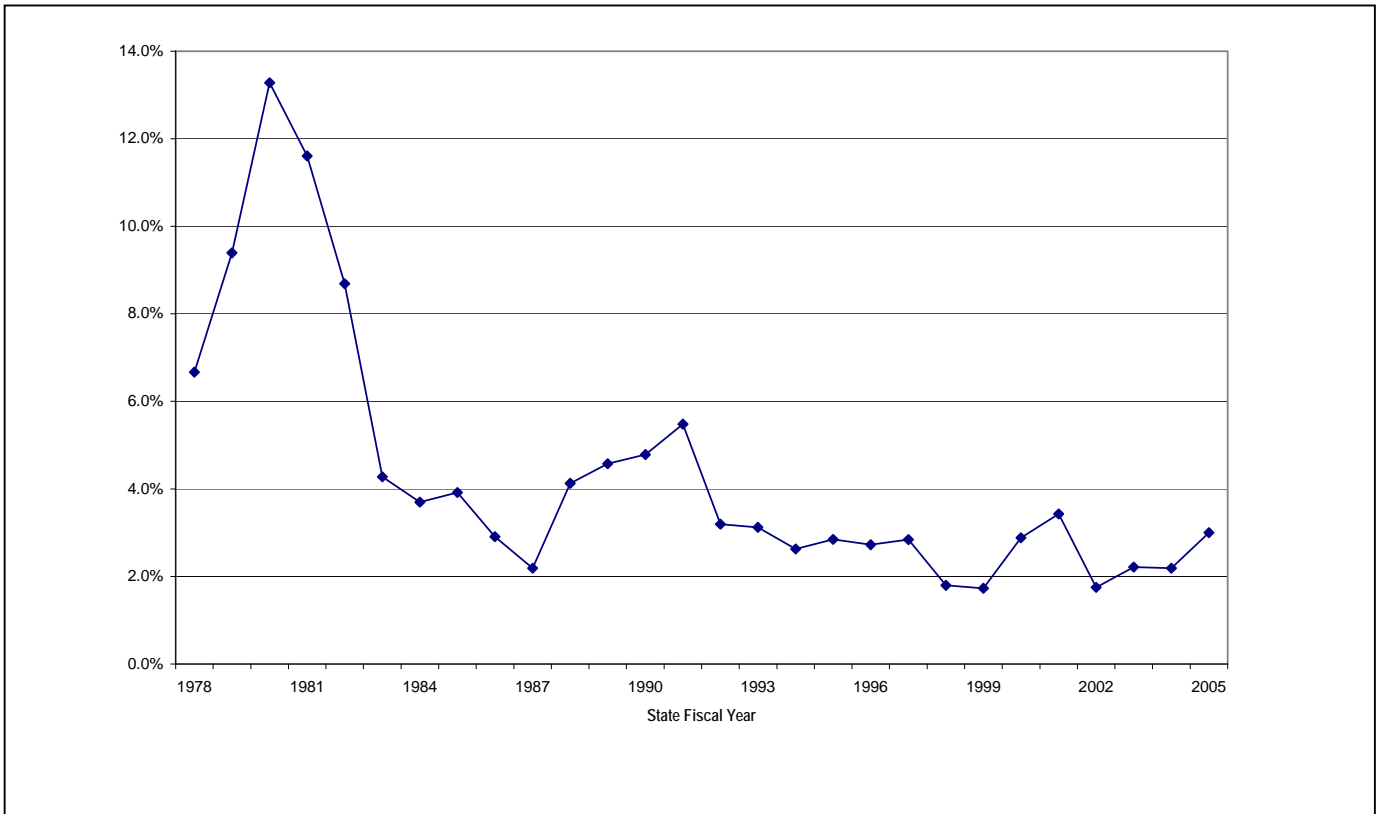


SECTION 5: TRENDS RELATED TO MOTOR FUEL CONSUMPTION

Table FAC-4: National Consumer Price Index

State Fiscal Year	CPI (1982-84 =100)	Annual % Change	Converted (FY 05 Dollars)
1978	62.63	6.7%	0.327
1979	68.52	9.4%	0.357
1980	77.62	13.3%	0.405
1981	86.63	11.6%	0.452
1982	94.15	8.7%	0.491
1983	98.18	4.3%	0.512
1984	101.81	3.7%	0.531
1985	105.80	3.9%	0.552
1986	108.88	2.9%	0.568
1987	111.26	2.2%	0.580
1988	115.85	4.1%	0.604
1989	121.15	4.6%	0.632
1990	126.95	4.8%	0.662
1991	133.91	5.5%	0.699
1992	138.2	3.2%	0.721
1993	142.5	3.1%	0.743
1994	146.2	2.6%	0.763
1995	150.4	2.8%	0.785
1996	154.5	2.7%	0.806
1997	158.9	2.8%	0.829
1998	161.8	1.8%	0.844
1999	164.6	1.7%	0.858
2000	169.3	2.9%	0.883
2001	175.1	3.4%	0.914
2002	178.2	1.8%	0.930
2003	182.1	2.2%	0.950
2004	186.1	2.2%	0.971
2005	191.7	3.0%	1.000

Figure FAC-4.1: National Consumer Price Index

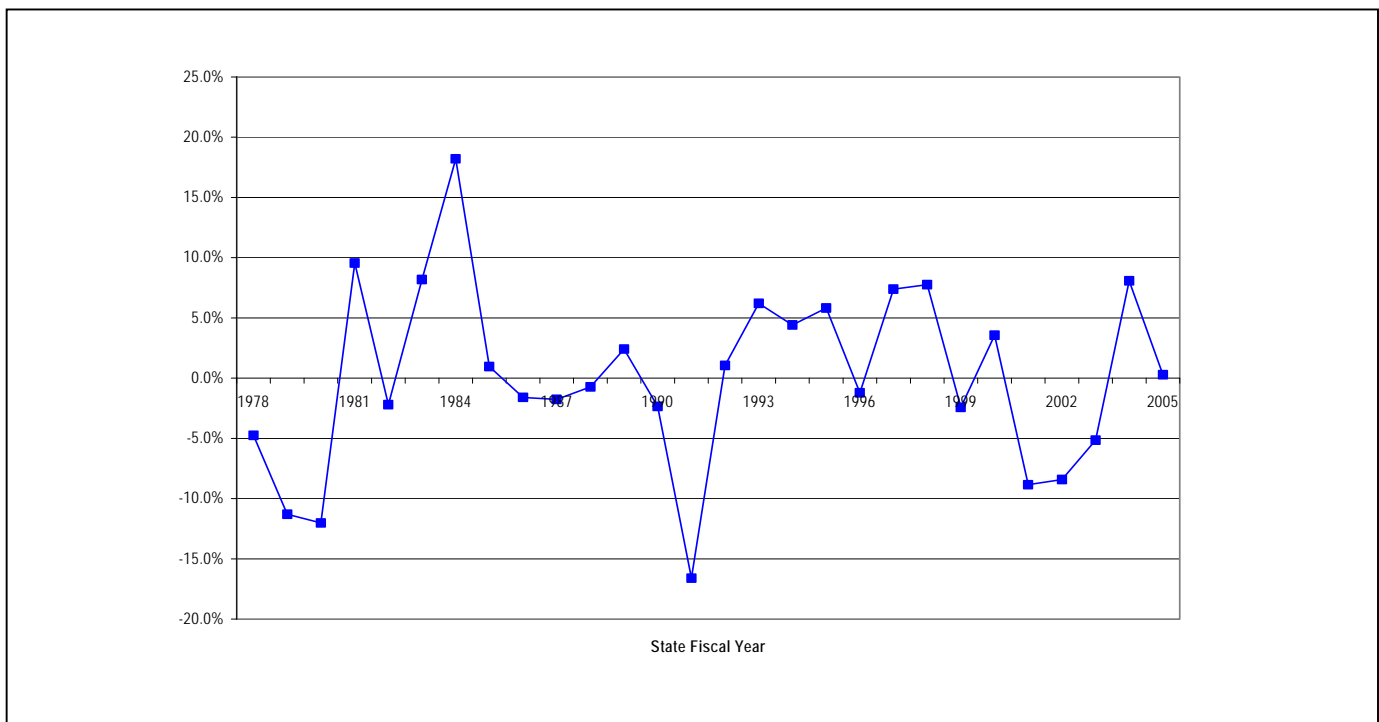


SECTION 5: TRENDS RELATED TO MOTOR FUEL CONSUMPTION

Table FAC-5: National Consumer Sentiment Index

State Fiscal Year	Consumer Sentiment Index	Annual % Change
1978	0.843	-4.76%
1979	0.730	-11.30%
1980	0.610	-12.03%
1981	0.705	9.55%
1982	0.683	-2.20%
1983	0.765	8.18%
1984	0.947	18.21%
1985	0.957	0.95%
1986	0.941	-1.60%
1987	0.923	-1.77%
1988	0.916	-0.73%
1989	0.940	2.41%
1990	0.916	-2.35%
1991	0.750	-16.62%
1992	0.761	1.06%
1993	0.823	6.21%
1994	0.867	4.40%
1995	0.925	5.81%
1996	0.912	-1.23%
1997	0.986	7.38%
1998	1.064	7.77%
1999	1.040	-2.43%
2000	1.075	3.56%
2001	0.987	-8.85%
2002	0.902	-8.43%
2003	0.851	-5.15%
2004	0.932	8.07%
2005	0.934	0.28%

Figure FAC-5.1: National Consumer Sentiment Index

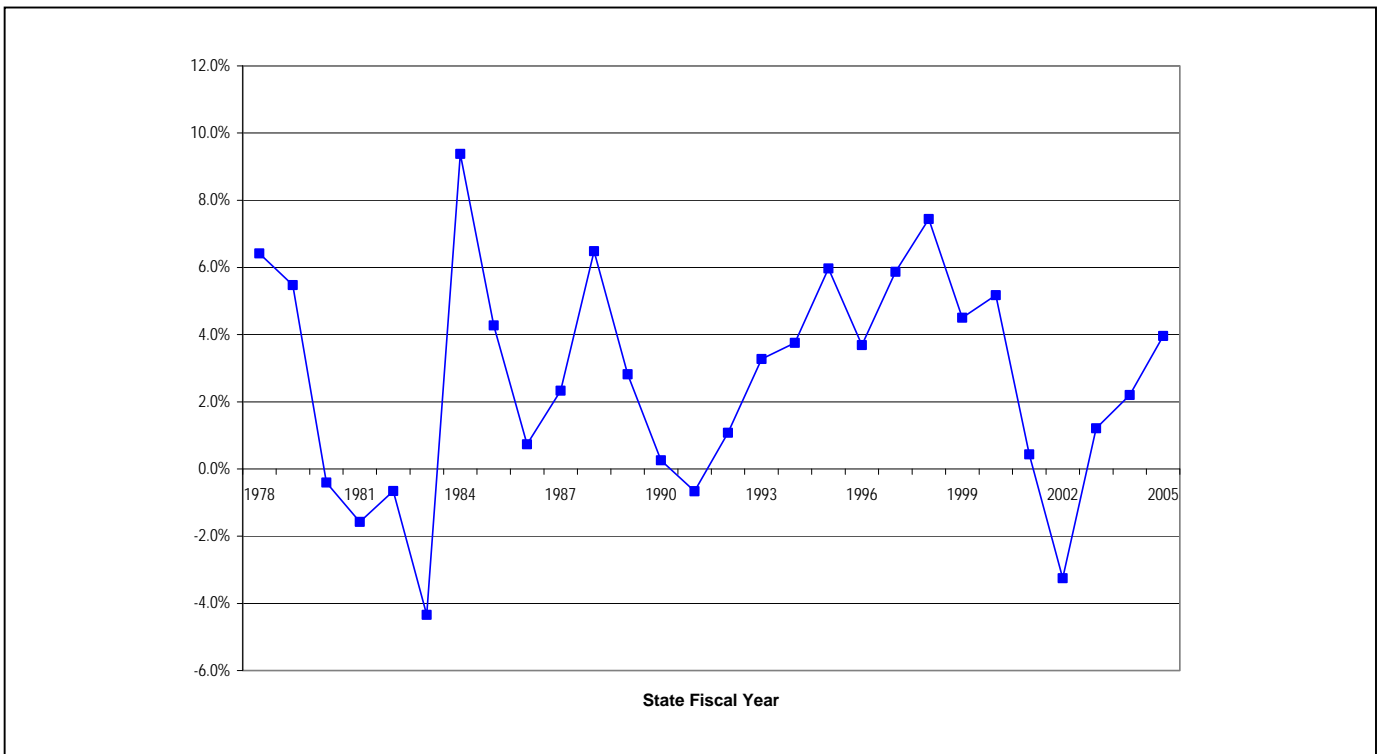


SECTION 5: TRENDS RELATED TO MOTOR FUEL CONSUMPTION

Table FAC-6: National Industrial Production Index

State Fiscal Year	Industrial Production Index	Annual % Change
1978	0.544	6.42%
1979	0.574	5.47%
1980	0.571	-0.40%
1981	0.562	-1.57%
1982	0.559	-0.66%
1983	0.534	-4.34%
1984	0.585	9.38%
1985	0.610	4.27%
1986	0.614	0.74%
1987	0.628	2.33%
1988	0.669	6.49%
1989	0.688	2.82%
1990	0.690	0.26%
1991	0.685	-0.66%
1992	0.693	1.08%
1993	0.715	3.27%
1994	0.742	3.76%
1995	0.787	5.97%
1996	0.816	3.69%
1997	0.863	5.87%
1998	0.928	7.44%
1999	0.969	4.50%
2000	1.020	5.17%
2001	1.024	0.43%
2002	0.991	-3.25%
2003	1.003	1.22%
2004	1.025	2.20%
2005	1.065	3.96%

Figure FAC-6.1: National Industrial Production Index



SECTION 5: TRENDS RELATED TO MOTOR FUEL CONSUMPTION

Table FAC-7: National Average Retail Price of Gasoline

State Fiscal Year	Nominal \$		Constant 2005 \$	
	Retail Price Per Gallon	Annual % Change	Retail Price Per Gallon	Annual % Change
1978	\$0.630		\$1.928	
1979	\$0.860	36.5%	\$2.406	24.8%
1980	\$1.245	44.8%	\$3.075	27.8%
1981	\$1.378	10.7%	\$3.049	-0.8%
1982	\$1.259	-8.6%	\$2.563	-15.9%
1983	\$1.204	-4.4%	\$2.351	-8.3%
1984	\$1.176	-2.3%	\$2.214	-5.8%
1985	\$1.165	-0.9%	\$2.111	-4.7%
1986	\$0.890	-23.6%	\$1.567	-25.8%
1987	\$0.911	2.4%	\$1.569	0.2%
1988	\$0.909	-0.2%	\$1.504	-4.2%
1989	\$0.985	8.4%	\$1.558	3.6%
1990	\$1.127	14.4%	\$1.702	9.2%
1991	\$1.103	-2.1%	\$1.579	-7.2%
1992	\$1.086	-1.5%	\$1.506	-4.6%
1993	\$1.067	-1.7%	\$1.435	-4.7%
1994	\$1.075	0.7%	\$1.409	-1.8%
1995	\$1.109	3.2%	\$1.413	0.3%
1996	\$1.200	8.2%	\$1.489	5.3%
1997	\$1.200	0.0%	\$1.448	-2.8%
1998	\$1.030	-14.2%	\$1.221	-15.7%
1999	\$1.135	10.2%	\$1.322	8.3%
2000	\$1.486	30.9%	\$1.682	27.3%
2001	\$1.426	-4.0%	\$1.561	-7.2%
2002	\$1.341	-6.0%	\$1.443	-7.6%
2003	\$1.559	16.3%	\$1.641	13.7%
2004	\$1.849	18.6%	\$1.904	16.1%
2005	\$2.268	22.7%	\$2.268	19.1%
Total % Change 1978 to 1984 Compound Annual Growth Rate	86.7%	11.0%	14.8%	2.3%
Total % Change 1985 to 2005 Compound Annual Growth Rate	94.7%	3.4%	7.5%	0.4%
Total % Change 1978 to 2005 Compound Annual Growth Rate	260.0%	4.9%	17.6%	0.6%

SECTION 5: TRENDS RELATED TO MOTOR FUEL CONSUMPTION

Figure FAC-7.1: National Average Retail Price of Gasoline (nominal \$)

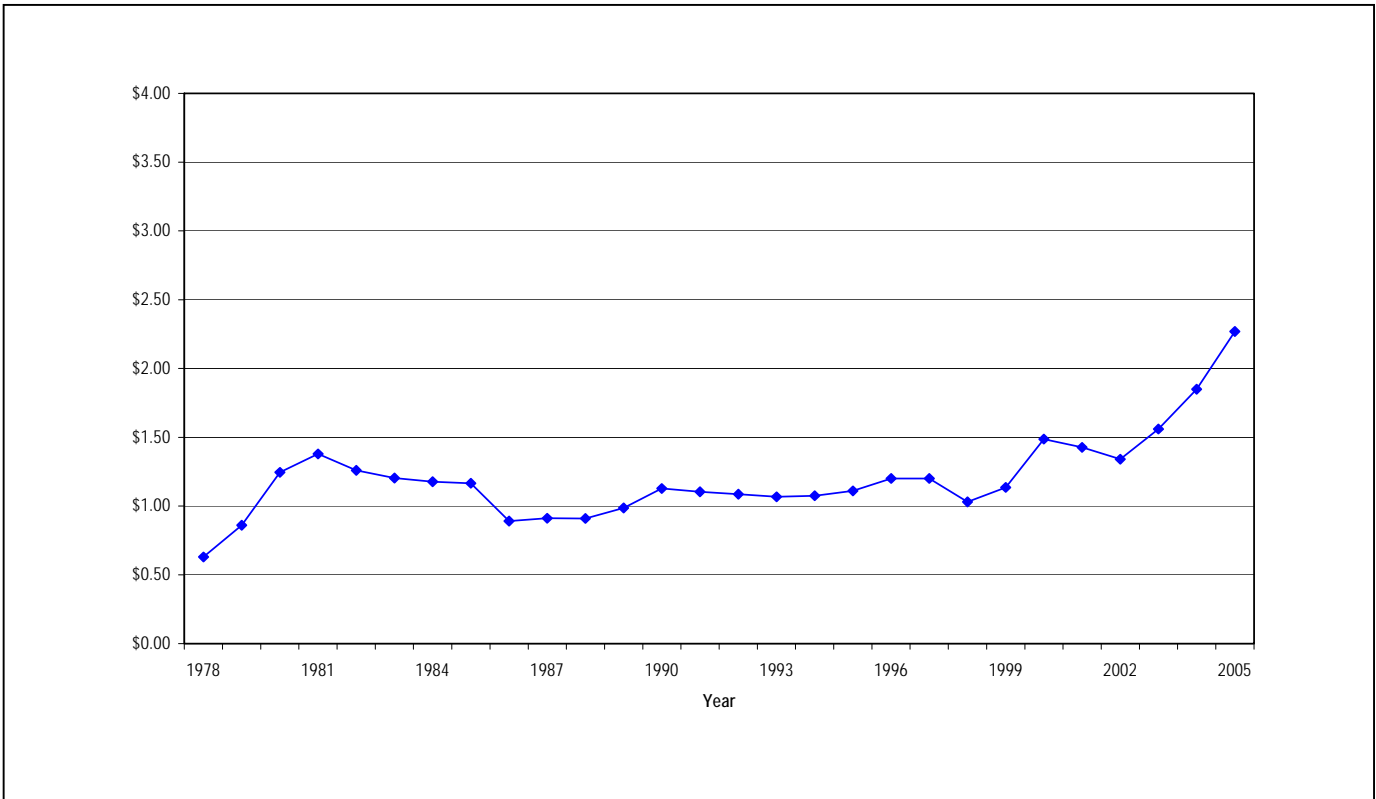


Figure FAC-7.2: National Average Retail Price of Gasoline (constant 2005 \$)

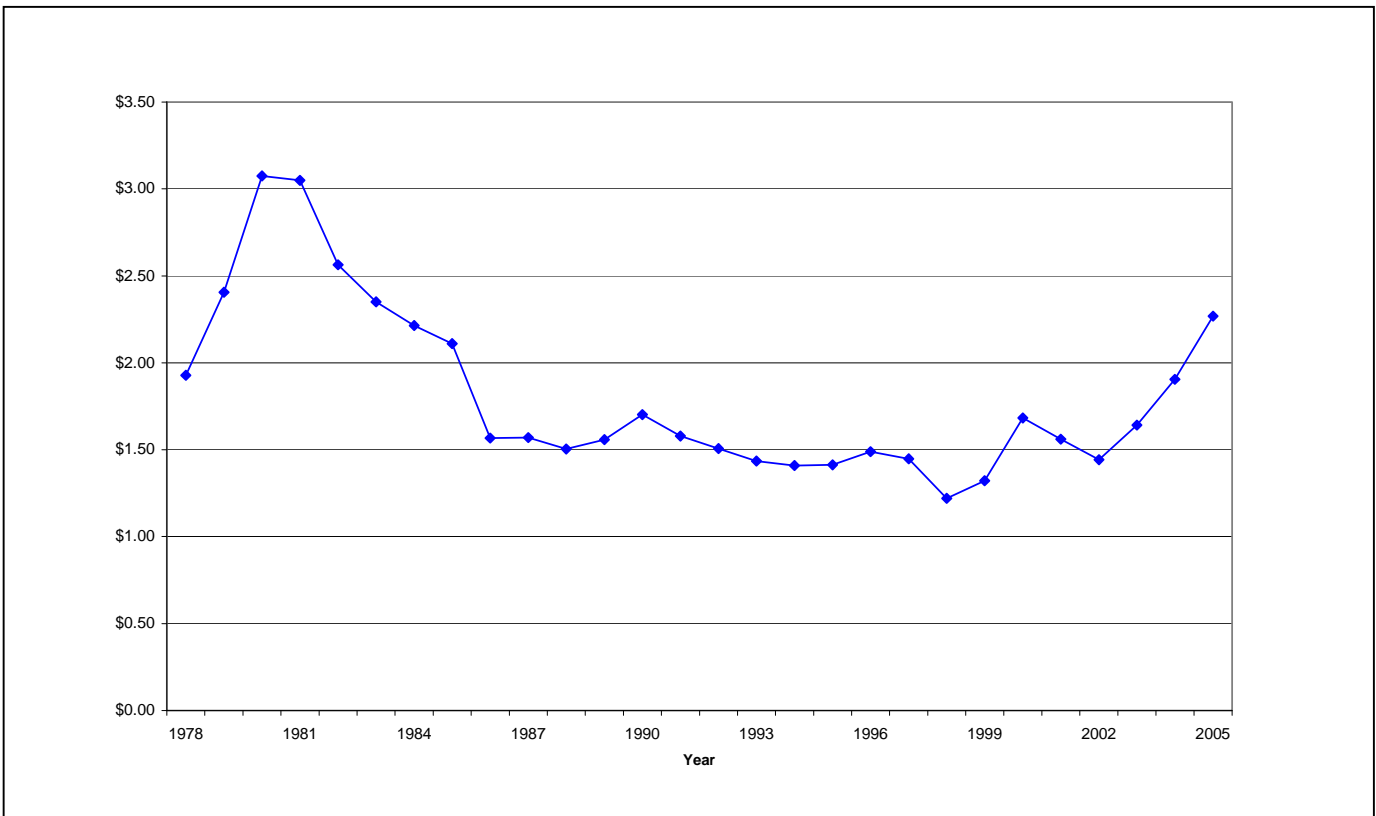


Table FAC-8: National Average MPG of Light Vehicle Stock

Year	Average MPG of Light Vehicle Stock	Annual % Change
1978	13.21	3.44%
1979	13.71	3.82%
1980	14.32	4.39%
1981	14.75	3.05%
1982	15.12	2.48%
1983	15.54	2.77%
1984	15.94	2.62%
1985	16.33	2.41%
1986	16.27	-0.35%
1987	16.79	3.17%
1988	17.35	3.32%
1989	17.15	-1.13%
1990	18.28	6.57%
1991	19.53	6.89%
1992	19.84	1.58%
1993	19.98	0.67%
1994	19.92	-0.27%
1995	19.89	-0.17%
1996	19.86	-0.13%
1997	20.19	1.65%
1998	20.36	0.82%
1999	20.25	-0.53%
2000	20.37	0.62%
2001	20.50	0.61%
2002	20.38	-0.58%
2003	20.23	-0.71%
2004	20.11	-0.63%
2005	20.13	0.13%
Total % Change 1978 to 1984	20.7%	
Compound Annual Growth Rate		3.2%
Total % Change 1985 to 2005	23.3%	
Compound Annual Growth Rate		1.1%
Total % Change 1978 to 2005	52.4%	
Compound Annual Growth Rate		1.6%

Figure FAC-8.1: National Average MPG of Light Vehicle Stock

