



Even under Fuel Tax Increase, Missouri Taxes Would Still Be Below Average

Published on *Show-Me Institute* (<https://showmeinstitute.org>)



By: Joseph Miller

Recently, the Missouri Senate approved a 5.9-cent fuel tax increase that, should it pass the House, would go before voters in the fall. If voters accept the proposal, Missouri's fuel taxes will increase from 17.3 cents per gallon to 23.2 cents per gallon. As we've stated many times before, Missouri currently has a comparatively low fuel tax, fifth-lowest in the nation for regular fuel and fourth-lowest for diesel fuel. So where would the proposed increase in the fuel tax place Missouri?

The answer is that Missouri would still have a fuel tax well below the national average. Some news sources have [put average state fuel tax at 20.88 cents per gallon](#), but this ignores the additional taxes many states (but not Missouri) place on fuel. For instance, Illinois's fuel excise tax is only 19 cents per gallon, [but its additional taxes](#) add on 11 cents per gallon. Often, these additional taxes are sales taxes whose per-gallon amount fluctuates with gas prices. When these taxes are accounted for, the average state tax rate for a gallon of regular gas comes to 29.63 cents, with diesel at 29.33 cents.

If Missouri increases its fuel taxes by 5.9 cents (and the price of fuel holds steady), Missouri would have the 17th-lowest regular fuel tax in the nation and the 16th-lowest diesel fuel tax. Our regular fuel tax would still be cheaper than those of Kansas (24.03 cents), Iowa (32 cents), Illinois (30.18 cents), Nebraska (27.7 cents) and Kentucky (26 cents). We would become a more expensive state for gas than Arkansas (21.8 cents), Oklahoma (17 cents), and Tennessee (21.4

cents).

Whether or not voters are willing to increase fuel taxes in Missouri at all is an open question. However, even under the proposed increase, Missouri would still be a relatively cheap place to fill up, both nationally and in our region.

About the Author



Joseph Miller

Policy Analyst

Joseph Miller was a policy analyst at the Show-Me Institute. He focused on infrastructure, transportation, and municipal issues. He grew up in Itasca, Ill., and earned an undergraduate degree from Georgetown University's School of Foreign Service and a master's degree from the University of California-San Diego's School of International Relations and Pacific Studies.

Read Online

<https://showmeinstitute.org/blog/transportation/even-under-fuel-tax-increase-missouri-taxes-would-still-be-below-average>

Links

[1] <https://showmeinstitute.org/blog/transportation/even-under-fuel-tax-increase-missouri-taxes-would-still-be-below-average>

[2] http://www.stltoday.com/news/local/govt-and-politics/missouri-motorists-could-see-pump-prices-jump-under-gas-tax/article_b18e4777-c681-59f8-8a0a-a7d5b2b835a0.html

[3] <http://www.api.org/~media/Files/Statistics/StateMotorFuel-OnePagers-January-2016.pdf>

Mission Statement

Advancing liberty with responsibility by promoting market solutions for Missouri public policy.

Show-Me Institute

5297 Washington Place

Saint Louis, MO 63108

Phone: (314) 454-0647

Fax: (314) 454-0667

3645 Troost Avenue

Kansas City, MO 64109

Phone: (816) 287-0370

Email: info@showmeinstitute.org

Support Our Work

The Show-Me Institute is a tax-exempt 501(c)(3) nonprofit organization. Make your tax deductible contribution today: <http://ShowMeInstitute.org/donate>