



COMPTROLLER
of MARYLAND
Serving the People

**Motor Fuel Tax & Motor
Carrier Tax (IFTA)
Annual Report**

Fiscal Year 2017



Peter Franchot

Comptroller of Maryland



Peter Franchot
Comptroller

To Interested Members of the Motor Fuel and Motor Carrier Industries:

I am pleased to present the annual report for Motor Fuel Tax and Motor Carrier Tax "IFTA" for Fiscal Year 2017.

This report furnishes general information and data about the administration, collection and distribution of Motor Fuel Tax revenue and Motor Carrier Tax "IFTA" revenue.

If you need further information, please contact my staff in the Revenue Administration Division at 410-260-7980 and we will be happy to help you.

Sincerely,

A handwritten signature in black ink that reads 'Peter Franchot'. The signature is written in a cursive style with a large, stylized 'P' and 'F'.

Comptroller of Maryland

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Introduction

The Revenue Administration Division of the Comptroller of Maryland is responsible for collecting the motor fuel tax and motor carrier tax, and the Field Enforcement Division is responsible for regulation and enforcement of the State's motor fuel tax and motor carrier tax laws.

This annual report provides data and statistics about the tax collection function of the Revenue Administration Division and the regulatory function of the Field Enforcement Division. All information in this report, including but not limited to revenue, permits, and other regulatory activities are for fiscal year 2017: July 1, 2016 through June 30, 2017.

Taxes

For fiscal year 2017, the Motor Fuel Tax rate increased on July 1, 2017 for each gallon of the following: gasoline other than aviation gasoline, special fuel other than clean-burning fuel or turbine fuel, and gasoline-equivalent of clean-burning fuel except electricity. Tax-General Article, § 9-305 establishes the motor fuel tax rate.

In general, after paying refunds, administrative costs of the Comptroller, transfers to the General Fund, and a certain percentage to the Chesapeake Bay 2010 Trust Fund, motor fuel taxes are distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund. Further details are in this report about motor fuel tax revenue distribution.

The Maryland Motor Carrier Tax is imposed at the same rate as the motor fuel tax rate for each type of motor fuel used. It is a fuel use tax on motor carriers who travel on Maryland highways. Motor carrier tax revenue and fees collected under Title 9 of the Tax-

General Article are distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund.

Revenue

Total gross revenue from motor fuel tax and motor carrier taxes, motor carrier temporary permit fees, and other revenue for fiscal year 2017 was \$1,127,801,049. Compared to fiscal year 2016, fiscal year 2017 tax revenues indicate the following changes: 0.2% increase in gasoline taxes; a 14.0% increase in special fuel taxes; a 44.0 % increase in aviation fuel taxes; a year-end inventory floor tax results from a tax rate increase effective July 1, 2016; a 3.4% increase in motor carrier taxes for Maryland-based commercial vehicles; a 9.8% decrease in motor carrier taxes collected for commercial vehicles based in other jurisdictions, and a 88.1% increase in motor carrier temporary permit fees. There was an overall increase of 4.0% in gross motor fuel tax and motor carrier tax revenues.

There are no fees for motor fuel licenses or registrations, or for IFTA licenses.

Taxation and Regulation

Motor Fuel

The Maryland motor fuel tax is an excise tax on motor fuel purchased for the purpose of propelling a motor vehicle or turbine-powered aircraft. Motor fuel is defined as gasoline or special fuel. Gasoline is a product used as fuel in a spark ignited internal combustion engine. The Comptroller may designate a product as gasoline, such as ethanol.

Special fuel is a product usable as fuel in an internal combustion engine, such as diesel fuel, and it also includes clean-burning fuel used for motor vehicle propulsion, such as natural gas, hydrogen, or a fuel that contains at least 85% ethanol.

Aviation fuel is defined as aviation gasoline, or turbine fuel (jet fuel).

The definition of motor fuel is important as it determines the motor fuel tax rate, what type of license is required, and whether or not an exemption certificate may be issued.

Other than the exemptions listed in § 9-303 and § 9-304 of the Tax-General Article, a tax is imposed on motor fuel. The rules governing when the motor fuel tax is imposed are different for gasoline and special fuel. Gasoline is subject to the motor fuel tax, unless a nontaxable use can be claimed for a refund under the particular exceptions in Tax-General Article § 13-901 related to certain public, governmental, and commercial purposes. In contrast, special fuel may not be subject to tax if the purchaser has an exemption certificate. Exemption certificates are not issued for gasoline.

Pursuant to Tax-General Article, § 9-314(a), the motor fuel tax on gasoline is paid by either: (1) the licensed Class B dealer who first receives gasoline imported into Maryland; (2) any other dealer who uses the gasoline, or first sells the gasoline in Maryland to a buyer

other than a licensed dealer authorized to acquire gasoline without paying the motor fuel tax; or (3) any other person who acquires gasoline on which the motor fuel tax has not been paid. Gasoline is essentially taxed on first sale, or import.

Special fuel, which was not separately defined until 1988, is subject to the motor fuel tax when a special fuel seller delivers the fuel into a tank from which a motor vehicle can be fueled unless the person who uses or resells the special fuel has an exemption certificate. The tax is imposed when a special fuel user operates a motor vehicle on a public highway using special fuel; or when a person acquires special fuel without an exemption certificate; or when the motor fuel tax has not been paid.

The motor fuel tax on turbine fuel is imposed on the turbine fuel seller who delivers turbine fuel into the fuel supply tank of a turbine-powered aircraft, or any other person who acquires turbine fuel not tax-paid and without an exemption certificate.

There is an on-line service called "Motor Fuel License Inquiry" and "Special Fuel Exemption Inquiry" on the Comptroller's website that can be used to determine whether a business has a motor fuel license or a seller or user of special fuel has an exemption certificate.

Motor fuel that is exported or sold for exportation from Maryland is not subject to the motor fuel tax.

Discounts or Cost of Collection Allowances

Under Tax-General Article, § 9-308, a licensed gasoline dealer, special fuel seller, special fuel user, or turbine fuel seller shall file monthly tax returns and pay the motor fuel tax.

A licensed dealer or licensed special fuel seller must deduct as a discount 0.5% of the 1st 10 cents of the motor fuel tax on each gallon of motor fuel, if the dealer or seller is not taking an allowance for evaporation, shrinkage, and handling. The discount compensates the

licensed dealer and licensed special fuel seller for expenses incurred in keeping records, collecting and paying the tax, and preparing reports. Discounts do not apply to aviation gasoline. This discount must be allocated and passed on to subsequent purchasers as provided in Tax-General Article, § 9-315(b)(2).

Exemption Certificates

A holder of an exemption certificate may acquire in bulk special fuel or turbine fuel without paying the motor fuel tax from a licensed special fuel seller or turbine fuel seller. Sellers of kerosene and propane at retail may obtain exemption certificates if this is the only fuel sold, the fuel is sold for a nontaxable use, all other special fuels are purchased tax-paid from the supplier, or the seller is a licensed special fuel seller. Regulations related to exemption certificates are found in the Code of Maryland Regulations (COMAR) 03.03.01.16.

MOTOR CARRIER TAX

Tax-General Article, § 9-204 provides that the rate of the motor carrier tax for each gallon used by a commercial motor vehicle on a highway is the motor fuel tax rate for the type of motor fuel used for each gallon. Exceptions to what constitutes a “commercial motor vehicle” are found in Tax-General Article, § 9-201(b).

International Fuel Tax Agreement (“IFTA”)

Pursuant to the authority granted by Tax-General Article § 9-205, Maryland was approved in 1995 as a member jurisdiction of the International Fuel Tax Agreement (“IFTA”). Maryland’s IFTA membership became effective January 1, 1996, and the State currently continues to be a member, which requires compliance with the IFTA Articles of Agreement, IFTA Procedures Manual, and IFTA Audit Manual.

The IFTA Agreement applies to the fuel use taxation, registration, and reporting requirements of motor carriers. However, various provisions of the IFTA Agreement permit Maryland as a base jurisdiction to determine the rules and procedures according to Maryland law. Therefore, the motor carrier tax statute found in Tax-General Article, Title 9, Subtitle 2 must be considered in conjunction with the IFTA Agreement.

Three concepts are fundamental to IFTA: (1) base jurisdiction; (2) state sovereignty; and (3) uniformity.

(1) One license and one base jurisdiction is a core principle of IFTA. Maryland as an IFTA member means that it is a base jurisdiction for motor carriers with a vehicle registration in the State. The base jurisdiction concept allows a licensee to report and pay motor carrier taxes to Maryland for distribution to other member jurisdictions in which the licensee traveled and incurred motor fuel use tax liability.

(2) State sovereignty allows each member jurisdiction to retain its authority to impose and administer the motor carrier tax as it determines. By entering into IFTA, Maryland has not relinquished any substantive tax authority.

(3) Uniform IFTA rules and procedures facilitate the collection and disbursement of multistate fuel taxes, promoting interstate travel and commerce.

Under IFTA, the motor carrier tax and exemptions from tax are determined by the laws of the base jurisdiction. In Maryland, there are no exempt miles for the motor carrier tax; however, the tax is not imposed on commercial motor vehicles which are leased from another motor carrier who is responsible for the payment of the motor carrier tax, or those who operate a motor carrier under a trip permit.

The calculation used to compute the amount of motor fuel use in Maryland involves

two computations: (1) average fleet miles for each gallon; and (2) total miles the motor carrier's fleet travels on Maryland highways. To compute the average fleet miles for each gallon, a fraction is used, the numerator of which is the total miles that the motor carrier's entire fleet travels in all states; and the denominator of which is the total gallons of motor fuel used. This fraction is then divided into the total miles the motor carrier's fleet travels on Maryland highways.

The following is an example of how to calculate the motor carrier tax:

- (1) Total miles in all states: 1,000
-
- Total gallons of motor fuel used: 50
- = 20 Average Fleet MPG
- (2) Total miles traveled in Maryland: 500
Calculate Maryland taxable fuel use:
 $500 \div 20 = 25$ Maryland taxable gallons

If the motor fuel used is gasoline, the 25 taxable fuel use gallons are taxed at a rate of 30.3 cents for each gallon, or \$ 7.58. The motor carrier tax in the amount of \$ 7.58 on the 25 gallons can be reduced by a credit for tax-paid gallons purchased in Maryland.

Credits and Refunds

An IFTA licensee may receive credit or a refund for tax-paid purchases of fuel used outside the jurisdiction where the fuel was purchased. Tax-paid purchases to other member jurisdictions can be reported as credits on the licensee's IFTA Quarterly Fuel Use Tax Return. Refunds will be made only after all tax liabilities, including audit assessments, have been satisfied to all member jurisdictions.

2017 Legislative Session:

Motor Fuel Taxes

STATEWIDE:

1. House Bill 55 – Motor Fuel Tax – Aviation Gasoline – Definition

- (1) This bill alters the definition of aviation gasoline under the motor fuel tax article by specifying aviation gasoline is gasoline that is used to propel gasoline-powered aircraft and is (1) invoiced as aviation gasoline or (2) received, sold, stored, or withdrawn from storage by a person for the purpose of propelling gasoline-powered aircraft.
- (2) Aviation gasoline is also defined as not including gasoline used to propel a motor vehicle.

EFFECTIVE JULY 1, 2017

2. House Bill 627 – Motor Fuel Tax Refund – Demand Response Trips

- (1) This bill allows for the refund of motor fuel taxes paid for use by a vehicle that is used only in the transportation system of a local jurisdiction to transport the public via demand response trips.
- (2) A “demand response trip” means the carriage of a passenger who is unable to use regular schedule, fixed termini services and includes trips that are required under the federal Americans with Disabilities Act.

EFFECTIVE JULY 1, 2017

2013 Legislative Session:

Motor Fuel Regulation and Taxes

STATEWIDE:

1. House Bill 669 – Business Regulation – Introduction of Additives into Gasoline Authorization

- (1) This bill authorizes the Comptroller to allow any person who holds a dealer license other than a Class A dealer license to introduce an additive into gasoline for resale or distribution if the person complies with specified current law and regulations, including regulations that specify the method for introducing an additive into gasoline and to provide for the payment of the motor fuel tax.

EFFECTIVE JUNE 1, 2013

2. House Bill 1515 – Transportation Infrastructure Investment Act of 2013

- (1) This bill alters motor fuel taxes by indexing motor fuel tax rates, except for aviation and turbine fuel, to inflation beginning in fiscal year 2014.
- (2) The bill imposes a 1% sales and use tax equivalent rate on all motor fuel except for aviation and turbine fuel beginning in fiscal year 2014, increasing to 2%

- beginning on January 1, 2015, and 3% beginning in fiscal 2016.
- (3) Unless federal legislation on sales tax collection is enacted by December 1, 2015, the sales and use tax equivalent rate increases from 3% to 4% beginning January 1, 2016, and then increases to 5% beginning in fiscal year 2017.
 - (4) If indeed federal legislation on sales tax collection is enacted and takes effect by December 1, 2015, the sales and use tax equivalent rate remains at 3% and the Comptroller is then required to distribute 4% of total sales and use tax revenues to the Transportation Trust Fund (TTF).
 - (5) Additionally, this bill imposes a floor tax on any person possessing tax-paid motor fuel for sale at the start of business on the date that both the sales and use tax equivalent rate or excise tax rate is increased.
 - (6) Individuals are required to compile and file an inventory held at the close of business on the date preceding an increase and remit within thirty (30) days any additional tax that is due.
 - (7) The bill increases the debt outstanding limit on Consolidated Transportation Bonds (CTBs) from \$2.6 billion to \$4.5 billion.
 - (8) This bill pledges motor fuel tax revenue to paying the principal of and interest on CTBs as they become payable.
 - (9) The bill prohibits the transfer or diversion of funds from TTF to the general fund or a special fund unless the transfer or diversion is approved through legislation passed by a three-fifths majority of specified full standing committees in each of the two houses of the General Assembly and then enacted into law.
 - (10) Beginning in fiscal year 2015 and every two years thereafter, the Maryland Transit Administration (MTA) must increase base fare prices and the cost of multiuse passes, to the nearest ten (10) cents, for all transit services except commuter rail and commuter bus service.
 - (11) Moreover, this bill requires the Governor to include in the operating or capital budget specified appropriations to the State Highway Administration (SHA) for use in complying with WIP.

EFFECTIVE JUNE 1, 2013.

MOTOR FUEL TAX & MOTOR CARRIER TAX REGULATION

The Comptroller of Maryland is responsible for administering and enforcing the following provisions of the Annotated Code of Maryland:

Business Regulation Article, Title 10: Motor Fuel and Lubricants
Tax-General Article, Title 9, Subtitle 2: Motor Carrier Tax
Tax-General Article, Title 9, Subtitle 3: Motor Fuel Tax

Motor fuel is defined as: (1) Gasoline; or (2) Special Fuel. The following types of motor fuel are regulated by the Comptroller:

<u>Gasoline</u>	<u>Special Fuel</u>
Gasoline	Diesel Fuel
Ethanol	Biodiesel Fuel
	Natural Gas
<u>Aviation Fuel</u>	Kerosene
Aviation Gasoline	Propane
Turbine Fuel – Jet Fuel	Fuel Oil

Motor carriers, or commercial motor vehicles, are subject to the Articles of the International Fuel Tax Agreement (“IFTA”), and the laws and regulations of Title 9, Subtitle 2 of the Tax-General Article, Annotated Code of Maryland.

Licenses, Permits, and other Registrations

(1)	Gasoline Dealer Licenses	275
(2)	Special Fuel Seller Licenses	457
(3)	Special Fuel User Licenses	107
(4)	Special Fuel Tax Exemption Certificates	947
(5)	Aviation Gasoline or Turbine Fuel Licenses	75
(6)	Motor Fuel Inspection Registrations	9,053
(7)	Petroleum Transporter Registrations	786
(8)	IFTA Licenses	4,952
(9)	IFTA Decals	38,625

Maryland Fuel Tax Rates

Type of Motor Fuel	Rate as of July 1, 2017	Description
Gasoline	\$.338 per gallon	Ethanol is designated as gasoline
Special Fuel	\$.3455 per gallon	Clear diesel, clear kerosene, and biodiesel
Aviation Gasoline and Turbine Fuel	\$.07 per gallon	Used to power aircraft
Dyed Kerosene, dyed diesel, fuel oil	Tax Free	Dyed fuel is for non-highway use and home heating. Use on public highway prohibited.
Propane, Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG), liquefied petroleum gas (LPG), hydrogen	\$.338 per gasoline-equivalent gallon	Clean-burning fuels

Audits and Tax Administration

Field Audits:

	MOTOR FUEL	IFTA
Completed audits	38	146
Assessments:		
Tax	\$13,912,398	\$204,154
Penalty	1,370,555	11,449
Interest	950,658	9,574
Total Tax Assessments:	<u>\$16,233,610</u>	<u>\$225,177</u>

Internal Audits:

Crosscheck: Dealers, Special Fuel Sellers, and Users	8	-
<i>Tax Returns Processed:</i>	<u>13,433</u>	<u>18,696</u>

Taxable Gallonage Sales

Gasoline Dealers and Special Fuel Sellers and Users

Reporting Period	Gasoline Dealers	Special Fuel Sellers & Users	Total Taxable Gallons Sold
Jul-16	242,855,113	40,974,456	283,829,569
Aug-16	244,650,597	44,473,156	289,123,753
Sep-16	255,613,859	43,228,908	298,842,767
Oct-16	240,787,169	43,182,016	283,969,185
Nov-16	223,901,466	40,454,192	264,355,658
Dec-16	241,412,155	38,344,802	279,756,957
Jan-17	209,825,736	42,090,579	251,916,315
Feb-17	189,453,746	37,137,211	226,590,957
Mar-17	277,824,933	45,031,043	322,855,976
Apr-17	228,649,062	40,840,193	269,489,255
May-17	228,483,464	46,397,702	274,881,166
Jun-17	234,832,873	45,791,403	280,624,276
TOTAL:	2,818,290,173	507,945,661	3,326,235,834

Note: Motor fuel tax must be reported and paid by the last day of the month following the month in which motor fuel is sold or used in Maryland. Tax-General Article, § 9-308(a)(1), Annotated Code of Maryland.

Adjustments to Gross Gallonage

	Temperature and Stock Gallonage Adjustments (1)			Federal Exempt Gallonage	Cost of Collection Allowances (2)		
	Gasoline Dealer	Special Fuel Seller and User	TOTAL	TOTAL	Gasoline Dealer	Special Fuel Seller	TOTAL
Jul-16	18,179	82,960	101,139	121,945	\$ 127,545	\$ 22,079	\$ 149,624
Aug-16	13,909	93,581	107,490	140,312	122,603	26,070	148,673
Sep-16	13,890	105,901	119,791	135,770	126,186	27,466	153,652
Oct-16	45,959	104,066	150,025	88,086	121,525	23,787	145,312
Nov-16	267,531	546,845	814,376	133,625	103,303	24,412	127,715
Dec-16	137,625	203,609	341,234	113,074	127,941	26,934	154,875
Jan-17	990,937	427,373	1,418,310	125,177	113,957	22,899	136,856
Feb-17	67,866	191,538	259,404	114,874	94,908	25,425	120,333
Mar-17	310,321	450,435	760,756	140,747	130,529	24,728	155,257
Apr-17	70,541	38,803	109,344	117,465	104,572	22,594	127,166
May-17	938,435	176,660	1,115,095	109,015	115,756	26,241	141,997
Jun-17	44,122	34,458	78,580	167,969	116,014	26,683	142,697
TOTAL	2,919,315	2,456,229	5,375,544	1,508,059	\$ 1,404,839	\$ 299,318	\$ 1,704,157

Notes:

(1) Gallonage allowance for evaporation, shrinkage, and handling.

(2) Under Tax-General Article, § 9-315(a), a licensed gasoline dealer or licensed special fuel seller shall deduct 0.5% of the 1st 10 cents of the motor fuel tax on each gallon of motor fuel as a discount. A certain portion of the discount, or cost of collection allowance, must be allocated and passed-on by the licensed dealer and licensed special fuel seller in accordance with Tax-General Article, § 9-315(b)(2).

Taxable Gallonage Summary

	Gallons
Gross Gallons Reported:	3,326,235,834
<i>Less Adjustments:</i>	
Temperature & Stock Adjustments	5,375,544
Federal Exempt Purchases	1,508,059
Cost of Collection Allowance	5,067,470
<i>Total Adjustments</i>	11,951,073
Taxable Gallons:	3,314,284,761
Gasoline Dealers	2,818,290,173
Special Fuel Sellers and Users	507,945,661
Gross Gallons Reported:	3,326,235,834

Aviation Fuel Sellers - Taxable Gallons:	17,125,475
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Taxable Gallonage - FY 2016 and FY 2017

Gasoline Dealers and Special Fuel Sellers or Users

Gasoline Dealers	Month	2016	2017
	July	224,134,055	242,855,113
	August	305,417,316	244,650,597
	September	225,430,624	255,613,859
	October	256,359,237	240,787,169
	November	224,949,546	223,901,466
	December	240,669,889	241,412,155
	January	207,060,602	209,825,736
	February	211,416,956	189,453,746
	March	233,693,275	277,824,933
	April	214,762,544	228,649,062
	May	232,160,514	228,483,464
	June	236,850,132	234,832,873
	TOTAL	2,812,904,690	2,818,290,173

% change prior year 0.8% 0.2%

Special Fuel Sellers and Users	Month	2016	2017
	July	42,371,217	40,974,456
	August	43,627,506	44,473,156
	September	42,185,498	43,228,908
	October	44,278,364	43,182,016
	November	39,446,903	40,454,192
	December	39,105,955	38,344,802
	January	39,537,749	42,090,579
	February	36,994,105	37,137,211
	March	43,197,911	45,031,043
	April	42,299,546	40,840,193
	May	41,768,401	46,397,702
	June	44,562,407	45,791,403
	TOTAL	499,375,562	507,945,661

% change prior year 1.6% 1.7%

Combined Taxable Gallons Sold	Month	2016	2017
	July	266,505,272	283,829,569
	August	349,044,822	289,123,753
	September	267,616,122	298,842,767
	October	300,637,601	283,969,185
	November	264,396,449	264,355,658
	December	279,775,844	279,756,957
	January	246,598,351	251,916,315
	February	248,411,061	226,590,957
	March	276,891,186	322,855,976
	April	257,062,090	269,489,255
	May	273,928,915	274,881,166
	June	281,412,539	280,624,276
	TOTAL	3,312,280,252	3,326,235,834

% change prior year 0.9% 0.4%

AVIATION FUEL

Aviation Fuel is: (1) aviation gasoline; or (2) turbine fuel, both used to propel aircraft.

2017 Aviation Fuel Sales (Gallons) : 17,125,475

Taxable Gallonage: FY 2016 and FY 2017		
Month	2016	2017
July	1,214,439	2,945,642
August	1,151,156	2,608,011
September	1,134,667	1,521,997
October	939,680	1,166,735
November	944,030	1,140,216
December	1,029,044	1,025,904
January	586,448	645,538
February	1,063,992	1,421,344
March	762,959	874,976
April	1,170,282	861,603
May	1,130,340	1,461,824
June	763,180	1,451,685
TOTALS:	11,890,217	17,125,475
% change prior year	-22.6%	44.0%

Aviation Fuel Tax Gross Revenue - FY 2017	
July	\$ 206,195
August	182,561
September	106,540
October	81,671
November	79,815
December	71,813
January	45,188
February	99,494
March	61,248
April	60,312
May	102,328
June	101,618
TOTAL:	\$ 1,198,783
% change prior year	44.0%

Motor Fuel Tax Gross Revenue

Gasoline Dealers

Jul-16	\$	81,356,463
Aug-16		81,957,950
Sep-16		85,630,643
Oct-16		80,663,702
Nov-16		75,006,991
Dec-16		80,873,072
Jan-17		70,291,621
Feb-17		63,467,005
Mar-17		93,071,353
Apr-17		76,597,436
May-17		76,541,960
Jun-17		78,669,012

TOTAL:	\$	944,127,208
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% change prior year	3.8%
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Special Fuel Sellers and Users

Jul-16	\$	14,033,751
Aug-16		15,232,056
Sep-16		14,805,901
Oct-16		14,789,840
Nov-16		13,855,561
Dec-16		13,133,095
Jan-17		14,416,023
Feb-17		12,719,495
Mar-17		15,423,132
Apr-17		13,987,766
May-17		15,891,213
Jun-17		15,683,556

TOTAL:	\$	173,971,389
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% change prior year	5.3%
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Other Gross Revenue

Motor Carrier Temporary Permit Fees

Jul-16	\$	21,000
Aug-16		21,000
Sep-16		1,050
Oct-16		44,370
Nov-16		6,138
Dec-16		12,000
Jan-17		18,000
Feb-17		6,000
Mar-17		31,500
Apr-17		21,000
May-17		-
Jun-17		7,500

TOTAL:	\$	189,558
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% change prior year		88.1%
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Motor Fuel Tax - Penalties and Interest

		<u>Penalty</u>		<u>Interest</u>
Jul-16	\$	36,183	\$	163,047
Aug-16		1,503		5,584
Sep-16		5,141		1,602
Oct-16		7,446		103,678
Nov-16		1,465		27,470
Dec-16		1,092		90,206
Jan-17		1,215		259,190
Feb-17		17,053		72,371
Mar-17		8,221		758,608
Apr-17		53,635		56,407
May-17		2,523		64,401
Jun-17		1,013		15,796

TOTAL:	\$	136,490	\$	1,618,360
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% change prior year		-88.2%		45.4%
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Other Gross Revenue - Floor Tax

Floor Tax

Jul-16	\$	45,908
Aug-16		22,296
Sep-16		4,510
Oct-16		6,042
Nov-16		5,918
Dec-16		831
Jan-17		319
Feb-17		-
Mar-17		41,677
Apr-17		94
May-17		1,752
Jun-17		119,626

TOTAL:	\$	248,973
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% change prior year	-65.6%
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"IFTA" Motor Carrier Tax Gross Revenue

		Maryland-Based Motor Carriers		Motor Carriers Based - Other Jurisdictions
Jul-16	\$	774,687	\$	186,018
Aug-16		52,165		40,265
Sep-16		282,198		250,244
Oct-16		787,321		141,003
Nov-16		42,020		142,482
Dec-16		303,908		699
Jan-17		766,273		131,283
Feb-17		49,905		382,196
Mar-17		273,885		32,406
Apr-17		950,220		248,838
May-17		46,884		50,000
Jun-17		365,686		9,702
TOTAL:	\$	4,695,152	\$	1,615,136
% change prior year		3.4%		-9.8%

**MOTOR FUEL TAX AND MOTOR CARRIER TAX "IFTA"
GROSS REVENUE SUMMARY - FY 2017**

Motor Fuel Tax Revenue:	
Gasoline Dealers	\$ 944,127,208
Special Fuel Sellers and Users	173,971,389
Total Motor Fuel Tax Revenue:	\$ 1,118,098,597

IFTA Revenue:	
Maryland-Based	\$ 4,695,152
Based-Other Jurisdictions	1,615,136
Total IFTA Revenue:	\$ 6,310,288

Motor Fuel Tax Revenue	\$ 1,118,098,597
IFTA Revenue	6,310,288
Aviation Fuel Revenue	1,198,783
Floor Tax Revenue	248,973
Motor Carrier Temporary Permit Revenue	189,558
Miscellaneous Revenue: Penalties and Interest	1,754,850
Total Gross Revenue:	\$ 1,127,801,049

Total Gross Revenue - % change prior year

3.9%

Adjustments to Gross Revenue

Motor Fuel Tax Refunds

Jul-16	\$	5,742,567
Aug-16		5,833,867
Sep-16		4,560,521
Oct-16		5,350,470
Nov-16		6,292,918
Dec-16		1,466,605
Jan-17		1,301,667
Feb-17		1,099,288
Mar-17		1,040,823
Apr-17		1,909,479
May-17		1,997,045
Jun-17		11,498,447
TOTAL:	\$	48,093,697
% change prior year		-27.6%

IFTA Tax Refunds to Other Jurisdictions

Jul-16	\$	11,970
Aug-16		542
Sep-16		-
Oct-16		85,414
Nov-16		118,499
Dec-16		240
Jan-17		220
Feb-17		169,554
Mar-17		7,063
Apr-17		212,858
May-17		598,803
Jun-17		-
TOTAL:	\$	1,205,163
% change prior year		39.9%

Administration Expenses

Jul-16	\$	1,051,156
Aug-16		806,189
Sep-16		578,966
Oct-16		1,601,361
Nov-16		2,730,982
Dec-16		495,222
Jan-17		544,415
Feb-17		549,335
Mar-17		569,019
Apr-17		824,272
May-17		-
Jun-17		1,145,945
TOTAL:	\$	10,896,862
% change prior year		15.2%

MOTOR FUEL TAX AND MOTOR CARRIER TAX "IFTA" REVENUE AND DISTRIBUTION

	<i>Gross Motor Fuel Tax Revenue</i>	<i>Motor Fuel Tax Refunds</i>	<i>"IFTA" Tax Distribution to Other Jurisdictions</i>	<i>"IFTA" Tax Revenue and Motor Carrier Permit Fees to TTF</i>	<i>Floor Tax Revenue</i>	<i>SUT and CPI Purchases</i>	<i>Administrative Expenses</i>	<i>Net Aviation Fuel Tax Revenue to TTF</i>	<i>Distribution to Transportation Trust Fund - Tax Increase Factor to TTF</i>	<i>Net Revenue Available for Distribution</i>
Jul-16	\$ 96,823,252	\$ 5,742,567	\$ 11,970	\$ 981,705	\$ 45,908	28,382,957	\$ 1,051,156	\$ 206,195	\$ 13,034,069	\$ 47,366,725
Aug-16	97,515,380	5,833,867	542	113,430	22,296	28,912,375	806,189	182,561	13,302,369	48,341,751
Sep-16	101,087,829	4,560,521	-	533,492	4,510	29,884,277	578,966	106,540	14,117,075	51,302,448
Oct-16	96,625,073	5,350,470	85,414	972,694	6,042	28,396,919	1,601,361	81,671	12,975,742	47,154,760
Nov-16	89,167,860	6,292,918	118,499	190,640	5,918	26,435,566	2,730,982	79,815	11,504,685	41,808,837
Dec-16	94,486,716	1,466,605	240	316,607	831	27,975,696	495,222	71,813	13,845,214	50,314,488
Jan-17	85,929,112	1,301,667	220	915,556	319	25,191,632	544,415	45,188	12,500,914	45,429,201
Feb-17	76,813,519	1,099,288	169,554	438,101	0	22,659,096	549,335	99,494	11,177,786	40,620,865
Mar-17	109,702,030	1,040,823	7,063	337,791	41,677	32,285,598	569,019	61,248	16,261,904	59,096,907
Apr-17	91,975,708	1,909,479	212,858	1,220,058	94	26,948,926	824,272	60,312	13,120,152	47,679,557
May-17	92,701,061	1,997,045	598,803	96,884	1,752	27,488,117	-	102,328	13,468,964	48,947,168
Jun-17	94,973,509	11,498,447	-	382,888	119,626	28,062,428	1,145,945	101,618	11,580,004	42,082,553
TOTAL:	\$ 1,127,801,049	\$ 48,093,697	\$ 1,205,163	\$ 6,499,846	\$ 248,973	\$ 332,623,587	\$ 10,896,862	\$ 1,198,783	\$ 156,888,878	\$ 570,145,260

Note: "TTF" means the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund

Revenue and Distribution Summary

Gross Motor Fuel Tax Revenue:	\$ 1,127,801,049
Less Deductions:	
Motor Fuel Tax Refunds	\$ 48,093,697
IFTA Tax Refund- Other Jurisdictions	1,205,163
Administrative Expenses	10,896,862
"IFTA" Tax and Motor Carrier Fees	6,499,846
Floor Tax Revenue	248,973
Aviation Fuel Tax	1,198,783
Motor Fuel Tax - Tax Increase Factor	156,888,878
SUT and CPI Purchases	332,623,587
Total Deductions:	557,655,789
Net Motor Fuel Tax Revenue:	\$ 570,145,260

Net Motor Fuel Tax Revenue and Distribution

Distribution pursuant to Tax-General Article, § 2- 1104:	Water Way Improvement Fund (balance of 0.5%)	Chesapeake Bay 2010 Trust Fund (balance of 2.3%)	Transportation Trust Fund (balance all remaining motor fuel tax revenue)
Jul-16	\$ 236,834	\$ 1,089,435	\$ 46,040,456
Aug-16	241,709	1,111,860	46,988,182
Sep-16	256,512	1,179,956	49,865,980
Oct-16	235,774	1,084,560	45,834,426
Nov-16	209,044	961,603	40,638,190
Dec-16	251,572	1,157,233	48,905,683
Jan-17	227,146	1,044,872	44,157,183
Feb-17	203,104	934,280	39,483,481
Mar-17	295,485	1,359,229	57,442,193
Apr-17	238,398	1,096,630	46,344,529
May-17	244,736	1,125,785	47,576,647
Jun-17	210,413	967,899	40,904,241
TOTAL:	\$ 2,850,727	\$ 13,113,342	\$ 554,181,191

Total Distributions - Gasoline and Motor Vehicle Revenue Account - Transportation Trust Fund:	
IFTA Taxes: Maryland-Based Motor Carriers	\$ 4,695,152
IFTA Taxes: Other Jurisdictions	1,615,136
Motor Carrier Temporary Permit Fees	189,558
Aviation Fuel Tax Revenue	1,198,783
Floor Tax Revenue	248,973
SUT and CPI Purchases	332,623,587
Tax Increase Distribution	156,888,878
Balance Net Motor Fuel Tax Revenue	554,181,191
TOTAL:	\$ 1,051,641,258

Notes:

(1) Tax-General Article, § 2-1101 requires that all motor carrier tax revenue and fees collected under Title 9 be distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund.

(2) Tax-General Article, § 2-1103(1) requires that all aviation fuel tax revenue be distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund.

(3) Tax-General Article, § 2-1104(b) requires that for each fiscal year beginning on or before July 1, 2015 2.3% be distributed to the Chesapeake Bay 2010 Trust Fund. Tax-General Article, § 2-1104(a)(2) requires that all remaining motor fuel tax revenue, after payment of refunds for motor fuel tax and motor carrier tax, administration expenses, and a certain percentage distribution of motor fuel tax revenue to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund pursuant to Tax-General Article, § 2-1103(2), be distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund. (Tax factor is 0.215793)

Historical Gallonage Summary

Gasoline Dealers and Special Fuel Sellers and Users

Fiscal Year	Gasoline	Special Fuel	Taxable	Federal Tax Exempt	Total Sales
2005	2,706,755,055	489,832,453	3,196,587,508	2,156,213	3,198,743,721
2006	2,687,845,483	509,407,062	3,197,252,545	2,141,616	3,199,394,161
2007	2,726,794,461	509,104,496	3,235,898,957	2,014,620	3,237,913,577
2008	2,721,145,766	509,725,987	3,230,871,753	1,905,418	3,232,777,171
2009	2,683,201,587	471,350,794	3,154,552,381	1,618,485	3,156,170,866
2010	2,649,962,586	473,125,049	3,123,087,635	1,734,158	3,124,821,793
2011	2,663,947,214	470,975,730	3,134,922,944	2,473,163	3,137,396,107
2012	2,682,363,515	466,912,244	3,149,275,759	1,758,620	3,151,034,379
2013	2,788,698,777	462,225,124	3,250,923,901	1,703,916	3,252,627,817
2014	2,742,981,644	467,036,533	3,210,018,177	1,341,453	3,211,359,630
2015	2,790,086,072	491,605,161	3,281,691,233	2,075,937	3,283,767,170
2016	2,812,904,690	499,375,562	3,312,280,252	1,532,756	3,313,813,008
2017	2,818,300,173	507,945,661	3,326,245,834	1,508,059	3,327,753,893

Historical Net Tax Revenue Summary

(Dollars in thousands)

	FY 2006	FY 2007	FY2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016	FY2017	% Change Prior Year
Gasoline Dealer Tax	\$ 635,468	\$ 636,353	\$ 638,293	\$ 634,729	\$ 622,741	\$ 626,028	\$ 630,349	\$ 655,344	\$ 740,808	\$ 804,495	\$ 909,623	\$ 944,127	3.8%
Special Fuel Seller Tax	127,257	123,142	123,219	110,938	114,733	114,212	113,226	112,090	129,605	145,555	165,286	173,971	5.3%
Aviation Fuel Sellers Tax	995	1,950	1,470	744	945	665	670	976	1,017	1,075	832	1,198	44.0%
Motor Carrier Temporary Permits	135	122	147	147	118	181	147	134	176	109	101	189	87.1%
Other Revenue	338	356	278	206	514	260	276	2,184	1,426	3,691	2,990	2,002	-33.0%
Motor Fuel Tax Refunds	(17,282)	(14,408)	(15,512)	(14,979)	(16,794)	(14,880)	(14,257)	(27,745)	(65,080)	(36,444)	(66,433)	(48,093)	-27.6%
Net Revenue Subtotal:	\$ 746,911	\$ 747,515	\$ 747,895	\$ 731,785	\$ 722,257	\$ 726,466	\$ 730,411	\$ 742,983	\$ 807,952	\$ 918,481	\$ 1,012,399	\$ 1,073,394	6.0%
IFTA Tax Revenue	17,206	14,452	14,177	11,239	7,756	5,112	4,729	4,526	6,357	6,321	6,331	6,310	-0.3%
IFTA Tax Refunds - Other Jurisdictions	(6,158)	(6,235)	(6,896)	(6,918)	(3,824)	(2,296)	(1,576)	(1,952)	(1,396)	(1,214)	(862)	(1,205)	39.8%
Net Tax Revenue	\$ 757,959	\$ 755,732	\$ 755,176	\$ 736,106	\$ 726,189	\$ 729,282	\$ 733,564	\$ 745,557	\$ 812,913	\$ 923,588	\$ 1,017,868	\$ 1,078,499	6.0%

Historical Distribution Summary

(Dollars in thousands)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016	FY2017
Administrative Expenses	\$ 7,335	\$ 7,774	\$ 7,615	\$ 7,905	\$ 9,054	\$ 7,081	8,857	\$ 8,023	\$ 8,809	\$ 9,016	\$ 9,461	\$ 10,896
Waterways Improvement Fund (.3%)	1,722	1,721	1,722	-	-	-	-	-	2,681	2,862	2,775	2,850
Fisheries Research and Development Fund (.3%)	1,722	1,721	1,722	-	-	-	-	-	-	-	-	-
General Fund - Chesapeake Bay Programs (2.3%)	13,207	13,197	13,199	-	-	-	-	-	-	-	-	-
General Fund				6,500	8,386	5,000	5,000	5,000	5,000	5,000	4,625	-
Budget Restoration Fund								8,000	-	-	-	-
Chesapeake Bay 2010 Trust Fund (Remaining 2.3%)				6,416	4,409	7,055	7,971	174	7,333	8,169	8,139	13,113
Gasoline & Motor Vehicle Revenue Account:												
Transportation Trust Fund	732,905	729,621	729,470	714,547	703,394	709,482	711,065	723,384	788,075	898,543	992,039	1,051,641
Transportation Trust Fund (Aviation)	1,067	1,698	1,448	737	945	663	670	976	1,017	1,076	832	1,198
TOTAL:	\$ 757,958	\$ 755,732	\$ 755,176	\$ 736,105	\$ 726,188	\$ 729,281	\$ 733,563	\$ 745,557	\$ 812,915	\$ 924,666	\$ 1,017,871	\$ 1,079,698

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016	FY2017
Gasoline & Motor Vehicle Revenue Account - Transportation Trust Fund:												
Counties, Baltimore City, and Municipalities (30%)	\$ 219,872	\$ 218,886	\$ 218,841	\$ 214,364	\$ 73,856	\$ 60,306	\$ 60,441	\$ 61,488	\$ 66,986	\$ 76,376	\$ 84,323	\$ 89,389
Department of Transportation (70%)	513,033	510,735	510,629	500,183	492,376	485,995	487,080	495,518	539,831	615,502	679,547	720,374
General Fund					137,162	163,181	163,545	166,378	181,257	206,665	228,169	241,877
	\$ 732,905	\$ 729,621	\$ 729,470	\$ 714,547	\$ 703,394	\$ 709,482	\$ 711,065	\$ 723,384	\$ 788,075	\$ 898,543	\$ 992,039	\$ 1,051,641

Notes:

- (1) Gasoline and motor vehicle revenues are distributed to the Department of Transportation and local governments pursuant to §§ 8-402 and 8-403 of the Transportation Article, Annotated Code of MD.
- (2) Chapter 484 (Senate Bill 141) - Budget Reconciliation and Financing Act of 2010 amended the allocation provision of § 8-402(c) of the Transportation Article as follows for FY 2010:
 - (i) 19.5% to General Fund; (ii) 70% to Department of Transportation; and (iii) balance, or 10.5%, to counties, municipalities, and Baltimore City.
- (3) Chapter 397 (House Bill 72) - Budget Reconciliation and Financing Act of 2011 amended the allocation provision of §8-402(c) of the Transportation Article as follows for FY2011:
 - (i) 23% to General Fund; (ii) 68.5% to Department of Transportation; and (iii) balance, or 8.5% to counties, municipalities, and Baltimore City.
- (4) Tax-General Article, § 2-1104(b) requires that for each fiscal year beginning on or before July 1, 2015 that 2.3% be distributed to the Chesapeake Bay 2010 Trust Fund. 0.05 % IS distributed to Waterway fund Tax-General Article, § 2-1104(a)(2) requires that all remaining motor fuel tax revenue, after payment of refunds for motor fuel tax and motor carrier tax, administration expenses, and a certain percentage distribution of motor fuel tax revenue to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund pursuant to Tax-General Article, § 2-1103(2), be distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund. (Tax factor is 0.215793)

Historical Motor Fuel Tax Rates

Dates		Tax Rate Per Gallon	
From	To	Gasoline	Special Fuel
January, 1922	December, 1923	0.01	0
January, 1924	March, 1927	0.02	0
April, 1927	June, 1947	0.04	0
July, 1947	May, 1953	0.05	0
June, 1953	June, 1964	0.06	0
June, 1964	June, 1972	0.06	0.07
July, 1972	May, 1982	0.09	0.09
June, 1982	May, 1983	0.11	0.11
June, 1983	May, 1987	0.135	0.135
June, 1987	April, 1992	0.185	0.185
May, 1992	December, 1992	0.235	0.1925
January, 1993	June, 1993	0.235	0.235
July, 1993	June, 2013	0.235	0.2425
July, 2013	June, 2014	0.27	0.2775
July, 2014	December, 2014	0.274	0.2815
January, 2015	June, 2015	0.303	0.3105
July, 2015	December, 2015	0.321	0.3285
January, 2016	June, 2016	0.326	0.3335
July, 2016	June, 2017	0.335	0.3425
July, 2017*	June, 2018	0.338	0.3455

* Fiscal 2018 tax rate

History of Motor Fuel Tax and Motor Carrier Tax

Date	Rate	Action		
1922	0.01	Motor Fuel Tax was created		
01/01/24	0.02	Tax rate increased 2 cents per gallon		
04/01/27	0.04	Tax rate increased 4 cents per gallon		
07/01/47	0.05	Tax rate increased 5 cents per gallon		
06/01/53	0.06	Tax rate increased 6 cents per gallon		
1953-1957		Motor Carrier Law enacted		
07/01/64	0.07	Tax rate increased 7 cents per gallon		
1964-1969		Motor Fuel Inspection Law enacted providing for the inspection and testing of motor fuel products		
07/01/72	0.09	Tax rate increased 9 cents per gallon		
1972 - 1978		United States Supreme Court in <i>Exxon Corp. v. Governor of Maryland</i> , 437 U.S. 117 (1978) upheld Maryland's divestiture law prohibiting producers or refiners from owning and operating retail service stations.		
06/01/82	0.11	Tax rate increased 11 cents per gallon. Motor carrier decal fee raised to \$25 per vehicle		
06/01/83	0.135	Tax rate increased 13.5 cents per gallon		
07/01/85		All sellers of special fuel must be licensed and all special fuel sales are subject to taxation except under specific circumstances. Decal fee for motor buses reduced from \$25 to \$10		
06/01/87	0.185	Tax rate increased 18.5 cents per gallon		
06/01/88		Motor carrier decal registration fee reduced to \$7		
	Gasoline Tax	Aviation Fuel	Special Fuel	
Prior to 05/01/92	0.185	0.05	0.185	The 1992 Special Session of the Maryland General Assembly approved increases in all motor fuel tax rates. This legislation:
05/01/92	0.235	0.07	0.1925	Increased the gasoline tax rate to 23.5 cents per gallon, the special fuel tax rate from 18.5 cents to 19.25 cents per gallon, and the aviation fuel tax rate from 5 cents to 7 cents per gallon;
01/01/93	0.235	0.07	0.2175	Increased the special fuel tax rate to 21.75 cents per gallon
07/01/93	0.235	0.07	0.2425	Increased the special fuel tax rate to 24.25 cents per gallon
07/01/93	0.235			Imposed a .75 cent per gallon motor carrier surcharge on gasoline and clean-burning fuel powered vehicles.
1996				Maryland enters the International Fuel Tax Agreement (IFTA)
10/01/00				Requirement to extend temporary voluntary allowances uniformly - effective 9/30/2004
01/01/01				Motor carrier decal registration fee eliminated
10/01/01				Sale of motor fuel below cost became illegal
07/01/02				Cost of collection allowance reduced by 1/2
10/01/02				Highway vehicles using dyed diesel fuel became illegal
10/01/04				Requirement to extend temporary voluntary allowances uniformly - effective 9/30/2009
10/01/09				Requirement to extend temporary voluntary allowances uniformly - repealed
07/01/13	0.27	0.07	0.2775	Increased the gasoline tax rate to 27.0 cents per gallon and the Special Fuel 27.75 cents per gallon.
07/01/14	0.274	0.07	0.2815	Increased the gasoline tax rate to 27.4 cents per gallon and the Special Fuel to 28.15 cents per gallon.
01/01/15	0.303	0.07	0.3105	Increased the gasoline tax rate to 30.3 cents per gallon and the Special Fuel to 31.05 cents per gallon.
07/01/15	0.321	0.07	0.3285	Increased the gasoline tax rate to 32.10 cents per gallon and the Special Fuel to 32.85 cents per gallon.
01/01/16	0.326	0.07	0.3335	Increased the gasoline tax rate to 32.6 cents per gallon and the Special Fuel to 33.35 cents per gallon.
07/01/16	0.3335	0.07	0.3425	Increased the gasoline tax rate to 33.35 cents per gallon and the Special Fuel to 34.25 cents per gallon.
07/01/17	0.338	0.07	0.3455	Increased the gasoline tax rate to 33.8 cents per gallon and the Special Fuel to 34.55 cents per gallon.