

**SELECTED BACKGROUND INFORMATION AND DATA
ON FEDERAL TRANSPORTATION EXCISE TAXES**

Prepared for the Use

of the

HOUSE COMMITTEE ON WAYS AND MEANS

By the Staff

of the

JOINT COMMITTEE ON TAXATION

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INTRODUCTION

Chairman Bill Archer of the House Committee on Ways and Means has appointed a bipartisan task force of Members of that Committee to advise him on transportation excise tax issues. The task force focus is studying the current structure of the Federal excise taxes imposed on all transportation sectors--aviation, highway, water, and rail--and the reasons for that structure. By letter of October 2, 1996, Chairman Archer requested the staff of the Joint Committee on Taxation ("Joint Committee staff") to assist the task force on a continuing basis by developing information needed for the task force's work. On November 14, 1996, the Joint Committee staff supplied a first response to that request in a pamphlet, Present Law and Background Information on Federal Transportation Excise Taxes and Trust Fund Expenditure Programs (JCS-10-96).

This document¹ supplements the November 14, 1996 publication with additional information on current Federal transportation excise taxes, including selected historical data. The document (Appendix) also includes information received to date from Executive agencies with regard to Federal fees imposed on transportation providers.

¹ This document may be cited as follows: Joint Committee on Taxation, Selected Background Information and Data on Federal Transportation Excise Taxes (JCX-49-96), December 17, 1996.

I. CURRENT FEDERAL TRANSPORTATION EXCISE TAX RATES, BY SECTOR AND FUND DEDICATION
(As of December 1, 1996)

Transportation Sector	Trust Fund	General Fund	Total Tax
A. Highway Transportation²			
1. Motor fuels taxes			
a. Trucks, automobiles			
Gasoline	14.0¢/gal.	4.3¢/gal.	18.3¢/gal.
Diesel fuel	20.0¢/gal.	4.3¢/gal.	24.3¢/gal.
Special motor fuels	14.0¢/gal.	4.3¢/gal.	18.3¢/gal.
b. Intercity bus			
Gasoline	no tax	no tax	no tax
Diesel fuel	3.0¢/gal.	4.3¢/gal.	7.3¢/gal.
Special motor fuels	3.0¢/gal.	4.3¢/gal.	7.3¢/gal.
2. Non-fuel taxes			
a. Truck retail sales (trucks over 33,000 lbs; trailers over 26,000 lbs.)	12% of price	-0-	12% of price

² Highway Trust Fund tax rates currently are scheduled to expire after September 30, 1999.

Transportation Sector	Trust Fund	General Fund	Total Tax
b. Tires			
40 lbs. or less	-0-	-0-	-0-
40 - 70 lbs.	15¢/lb.	-0-	15¢/lb.
	over 40 lbs.		over 40 lbs.
70 - 90 lbs.	\$4.50 plus 30¢/lb. over 70 lbs.	-0-	\$4.50 plus 30¢/lb. over 70 lbs.
Over 90 lbs.	\$10.58 plus 50¢/lb. over 90 lbs.	-0-	\$10.58 plus 50¢/lb. over 90 lbs.
c. Annual vehicle use tax			
Under 55,000 lbs.	-0-	-0-	-0-
55,000 - 75,000 lbs.	\$100 plus \$22 per 1,000 lbs. over 55,000 lbs.	-0-	\$100 plus \$22 per 1,000 lbs. over 55,000 lbs.
Over 75,000 lbs.	\$550	-0-	\$550

Transportation Sector	Trust Fund	General Fund	Total Tax
B. Air Transportation³			
1. Commercial aviation taxes			
a. Air passenger ticket tax	10% of amount paid	-0-	10% of amount paid
b. International departure tax	\$6/passenger	-0-	\$6/passenger
c. Domestic air cargo tax	6.25% of amount paid	-0-	6.25% of amount paid
d. Fuels	-0-	4.3¢/gal.	4.3¢/gal.
2. General aviation taxes			
a. Gasoline	15¢/gal.	4.3¢/gal.	19.3¢/gal.
b. Jet fuel	17.5¢/gal.	4.3¢/gal.	21.8¢/gal.

³ Airport and Airway Trust Fund tax rates currently are scheduled to expire after December 31, 1996.

Transportation Sector	Trust Fund	General Fund	Total Tax
C. Water Transportation			
1. Harbor maintenance	0.125% of value	-0-	0.125% of value
2. Ship passengers	-0-	\$3/passenger	\$3/passenger
3. Commercial inland waterway fuels	20¢/gal.	4.3¢/gal.	24.3¢/gal.
4. Recreational boat diesel fuel ⁴	-0-	24.3¢/gal.	24.3¢/gal.
D. Rail Diesel Fuel	-0-	5.55¢/gal.	5.55¢/gal.

⁴ The tax on recreational boat diesel fuel has been suspended through December 31, 1997, by the Small Business Jobs Protection Act of 1996. The rates stated above will apply for the period 1/1/98-12/31/99.

II. ADMINISTRATION OF FEDERAL TRANSPORTATION EXCISE TAXES

Tax	Point of Collection	Person Liable for Payment	Remittance Schedule	Treasury Disposition
<p>A. Major Fuels Taxes</p> <p>1. Gasoline</p> <p>(All gasoline is taxed. Exemptions are realized through consumer (or vendor) refunds of tax assumed to be included in price because of payment earlier in the product's chain of distribution.)</p>	<p>Removal from pipeline or barge terminal ("terminal rack"); removal from refinery if fuel does not go to terminal (e.g., truck load pick ups at refinery).</p>	<p>Position holder (i.e., person holding inventory position in terminal) or refiner (if taxed on removal from refinery).</p>	<p>Generally, semi-monthly deposits, due 9 days after end of semi-monthly period when removal occurs. For example, tax on gasoline removed on January 1 is deposited on January 24. (A special rule applies for fuel removed during the period September 16-26.)</p> <p>Quarterly tax returns.</p>	<p>Revenues go to General Fund first. Treasury then transfers portions (other than the General Fund amounts) to Trust Funds:</p> <p>(1) 15 cents/gallon from general aviation use to the Airport Trust Fund.</p> <p>(2) Generally, 14 cents/gallon from other taxable uses to the Highway Trust Fund, with motorboat, small engine, and trail vehicles Trust Fund portions being re-transferred to the Aquatic Resources and Recreational Trails Trust Funds. (No transfers are made to the Trails Fund absent appropriations.)</p>

Tax	Point of Collection	Person Liable for Payment	Remittance Schedule	Treasury Disposition
<p>2. Diesel fuel</p> <p>(All diesel fuel is taxed <u>unless</u> the fuel is dyed at the point where tax would be imposed and is destined for a nontaxable, rail, or intercity bus use. Refunds are allowed--generally to consumers--if undyed diesel fuel is used in a nontaxable, rail, or intercity bus use because tax has been paid earlier in the product's chain of distribution.)</p>	<p>Same as gasoline tax.</p>	<p>Same as gasoline tax.</p>	<p>Same as gasoline tax.</p>	<p>Revenues go to General Fund first. Treasury then transfers Highway Trust Fund portion (20 cents/gallon on highway uses) to that Fund. (There are no off-highway diesel fuel Trust Fund rates. Off-highway use other than in trains also is exempt from General Fund rate.)</p>
<p>3. Special motor fuels</p>	<p>Retail sale for use in highway vehicles, or use if no sale occurs.</p>	<p>Person selling (or using) the fuel.</p>	<p>Same as gasoline tax.</p>	<p>Revenues go to the General Fund first, with Treasury then transferring</p>

Tax	Point of Collection	Person Liable for Payment	Remittance Schedule	Treasury Disposition
<p>4. Jet fuel</p>	<p>Sale by producer, defined to include registered wholesale distributor, or use if that occurs first.</p>	<p>Producer.</p>	<p>Same as gasoline tax.</p>	<p>14 cents/gallon to the Highway Trust Fund. Revenues go to General Fund first, with a portion of tax (17.5 cents/gallon) on general aviation fuel then being transferred to the Airport Trust Fund.</p>
<p>5. Inland waterways fuels</p>	<p>Use in commercial transportation.</p>	<p>Vessel operator.</p>	<p>Paid quarterly with tax return (i.e., no separate deposits required).</p>	<p>Revenues go to the General Fund first, with 20 cents/gallon then being transferred to the Inland Waterways Trust Fund.</p>
<p>B. Non-Fuels Taxes</p> <p>1. Commercial aviation passenger and freight taxes</p>	<p>Payment for transportation.</p>	<p>Consumer is liable for payment; transportation provider receiving payment is liable for collecting and remitting tax.</p>	<p>Same as gasoline tax, or taxpayer can elect to make deposits based on when amounts are "deemed collected." This alternative allows deposits to be made approximately 15 days later than under the gasoline tax structure.</p>	<p>Revenues go to General Fund first, and are then transferred to the Airport Trust Fund.</p>

Tax	Point of Collection	Person Liable for Payment	Remittance Schedule	Treasury Disposition
<p>2. Retail truck tax and manufacturers' tire taxes</p> <p>a. Truck tax</p> <p>b. Tire tax</p>	<p>Retail sale, or use if that occurs first.</p> <p>Sale by manufacturer, or use if that occurs first.</p>	<p>Retail dealer, or user if collected on use.</p> <p>Manufacturer.</p>	<p>Same as gasoline tax.</p> <p>Same as gasoline tax.</p>	<p>Revenues go to General Fund first, and are then transferred to the Highway Trust Fund.</p> <p>Same as retail truck tax.</p>
<p>3. Heavy vehicle use tax</p>	<p>Use on highway.</p>	<p>Person in whose name vehicle is registered for highway use.</p>	<p>Due annually for period July 1-June 30. Taxpayers may pay in quarterly installments.</p>	<p>Same as retail truck tax.</p>
<p>4. Harbor maintenance tax</p>	<p>Provision of transportation.</p>	<p>Transportation provider.</p>	<p>Quarterly payment and returns. (Collected by Customs Service, not IRS.)</p>	<p>Revenues go to General Fund, and then are transferred to Harbor Maintenance Trust Fund.</p>
<p>5. Ship passenger tax</p>	<p>Provision of passenger transportation.</p>	<p>Transportation provider.</p>	<p>Same as gasoline tax.</p>	<p>Revenues go to General Fund.</p>

III. HISTORY OF FEDERAL EXCISE TAXES IMPOSED ON AUTOMOTIVE-RELATED ITEMS, 1917-1996

<u>Year</u>	<u>Trucks, buses and truck trailers</u>	<u>Pass- enger auto- mobiles</u>	<u>Auto- mobile and truck parts and accessories</u>	<u>Tires for use on highway vehicles</u>	<u>Inner tubes for tires</u>	<u>Tread rubber</u>
1917	3% of manu- facturers price	3% of manu- facturers price	-0-	-0-	-0-	-0-
1918	3%	3%	5% of manu- facturers price	5% of manu- facturers price	5% of manu- facturers price	-0-
1919-23	3%	5%	5%	5%	5%	-0-
1924-26	3%	3%	2.5%,	2.5%	2.5%	-0-
1927-28	-0-	3%	-0-	-0-	-0-	-0-
1929-31	-0-	-0-	-0-	-0-	-0-	-0-
1932	2%	2%	2%	2.25¢/lb.	4¢/lb.	-0-
1933-39	2%	3%	2%	2.25¢/lb.	4¢/lb.	-0-
1940	2.5%	3.5%	2.5%	2.5¢/lb.	4.5¢/lb.	-0-
1941-50	5%	7%	5%	5¢/lb.	9¢/lb.	-0-
1951-55	8%	10%	8%	8¢/lb.	9¢/lb.	-0-
1955-57	5%	10%	5%	8¢/lb.	9¢/lb.	3¢/lb.
1957-61	10%	10%	8%	8¢/lb.	9¢/lb.	3¢/lb.
1962-65	10%	10%	8%	10¢/lb.	10¢/lb.	5¢/lb.
1966	10%	7% (6% from 1-1-66 to 3-15-66)	8% (repealed on automobile parts)	10¢/lb.	10¢/lb.	5¢/lb.
1967-71	10%	7%	8%	10¢/lb.	10¢/lb.	5¢/lb.
1971-80	10%	-0-	8%	10¢/lb.	10¢/lb.	5¢/lb.
1981-83	10%	-0-	8%	9.75¢/lb.	10¢/lb.	5¢/lb.

<u>Year</u>	<u>Trucks, buses and truck trailers</u>	<u>Passenger automobiles</u>	<u>Automobiles parts and accessories</u>	<u>Tires for use on highway vehicles</u>	<u>Inner tubes for tires</u>	<u>Tread rubber</u>
1984-96	12% of retail price (exclusion for trucks ≤ 33,000 lbs. and trailers ≤ 26,000 lbs)	-0-	12% of retail price when purchased in connection with new truck (within 6 months)	Tires ≤ 40 pounds, no tax; 40 pounds ≤ tire ≤ 70 lbs., 15¢/lb ≥ 40; 70 lbs. ≤ tire ≤ 90 lbs., \$4.50 plus 30¢/lbs., \$10.50 plus 50¢/lb. ≥ 90 lbs.	-0-	-0-

**IV. HISTORY OF FEDERAL EXCISE TAXES IMPOSED ON GASOLINE,
DIESEL FUEL, AND LUBRICATING OIL USED IN HIGHWAY
VEHICLES, 1932-1996**

<u>Year</u>	<u>Gasoline</u>	<u>Diesel fuel</u>	<u>Lubricating oil used in highway vehicles</u>
1932-1933	1¢/gallon	-0-	4¢/gallon
1933	1.5¢/gallon	-0-	4¢/gallon
1933-1939	1¢/gallon	-0-	4¢/gallon
1940-1942	1.5¢/gallon	-0-	4.5¢/gallon
1942-1951	1.5¢/gallon	-0-	6¢/gallon
1951-1956	2¢/gallon	2¢/gallon	6¢/gallon
1956-1959	3¢/gallon	3¢/gallon	6¢/gallon
1959-1983	4¢/gallon	4¢/gallon	6¢/gallon
1983	9¢/gallon	9¢/gallon	Repealed after 1/6/83
1984-1986	9¢/gallon	9¢/gallon	-0-
1987-1990	9.1¢/gallon ¹	15.1¢/gallon	-0-
1990-1993	14.1¢/gallon	20.1¢/gallon	-0-
1993-1995	18.4¢/gallon	24.4¢/gallon	-0-
1996	18.3¢/gallon	24.3¢/gallon	-0-

¹ The gasoline tax was 9.0¢ per gallon for the period from September 1, 1990 to November 30, 1990.

**V. HISTORY OF FEDERAL EXCISE TAXES IMPOSED ON
COMMERCIAL TRANSPORTATION FUELS (OTHER THAN
FUELS USED IN HIGHWAY VEHICLES), 1980-1996**

<u>Year</u>	<u>Rail Diesel</u>	<u>Inland Waterway¹</u>
1980-1981	-0-	4¢/gallon
1981-1983	-0-	6¢/gallon
1983-1985	-0-	8¢/gallon
1985-1989	-0-	10¢/gallon
1990	2.5¢/gallon	11¢/gallon
1991	2.5¢/gallon	13¢/gallon
1992	2.5¢/gallon	15¢/gallon
1993	6.8¢/gallon	17¢/gallon
1994	6.8¢/gallon	19¢/gallon
1995	6.8¢/gallon	20¢/gallon
1995-1996	5.55¢/gallon	20¢/gallon

¹ Tax applies to fuels used by commercial cargo vessels on 26 designated inland and intracoastal waterways.

**VI. HISTORY OF FEDERAL EXCISE TAXES IMPOSED ON
PASSENGER TRANSPORTATION SERVICES, 1941-1996**

<u>Year</u>	<u>Transportation of persons by air</u>	<u>Transportation of persons by rail</u>	<u>Transportation of persons by bus</u>
1941	5% of amount paid	5% of amount paid	5% of amount paid
1942-1943	10%	10%	10%
1943-1946	15%	15%	15%
1946-1960	10%	10%	10%
1960-1962	5%	10%	10%
1962-1969	5%	-0-	-0-
1970-1981	8%	-0-	-0-
1981-1982	5%	-0-	-0-
1982-1986	8%	-0-	-0-
1987-1990	8%	-0-	-0-
1990-1991	10%	-0-	-0-
1991-1996	10% ¹	-0-	-0-

¹ Tax expired during the period January 1, 1996-August 26, 1996.

**VI. HISTORY OF FEDERAL EXCISE TAXES IMPOSED ON
PASSENGER TRANSPORTATION SERVICES, 1941-1996 (cont'd)**

<u>Year</u>	<u>International departures by air</u>	<u>Departures by ship</u>	<u>Ship arrivals</u>
1941	-0-	Tickets of \$10 or less: no tax; \$10-30: \$1.10; \$30-60: \$3.30; over \$60: \$5.50	-0-
1942-1943	-0-	Tickets of \$10 or less: no tax; \$10-30: \$1.10; \$30-60: \$3.30; over \$60: \$5.50	-0-
1943-1946	-0-	Tickets of \$10 or less: no tax; \$10-30: \$1.10; \$30-60: \$3.30; over \$60: \$5.50	-0-
1946-1960	-0-	-0-	-0-
1960-1962	-0-	-0-	-0-
1962-1969	-0-	-0-	-0-
1970-1981	\$3/passenger	-0-	-0-
1981-1982	\$3	-0-	-0-
1982-1986	\$3	-0-	-0-
1987-1990	\$3	0.04% of amount paid	0.04% of amount paid
1990-1991	\$6	\$3/passenger plus 0.04% of amount paid ²	0.04%
1991-1996	\$6 ¹	\$3/person plus 0.125% ²	0.125%

¹ Tax expired during the period January 1, 1996-August 26, 1996.

² \$3/passenger tax is a General Fund tax on voyages into international waters that either (1) last overnight or (2) have gambling on board ship; the ad valorem ship tax rate since 1987 is the Harbor Maintenance Trust Fund excise tax.

**VII. HISTORY OF FEDERAL EXCISE TAXES IMPOSED ON COMMERCIAL FREIGHT
TRANSPORTATION SERVICES, 1942-1996**

<u>Transportation service</u>	<u>1942-58</u>	<u>1958-70</u>	<u>1970-80</u>	<u>1980-82</u>	<u>1982-87</u>	<u>1987-90</u>	<u>1990</u>	<u>1991-96</u>
Transportation of property by air	3% of amount paid	-0-	5%	-0-	5%	5%	6.25%	6.25% ¹
Transportation of property by rail	3% of amount paid	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transportation of property by motor vehicle	3% of amount paid	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transportation of property through U.S. harbors	3% of amount paid	-0-	-0-	-0-	-0-	0.04% of value of commercial cargo loaded or unloaded at U.S. ports	0.04% of value of cargo	0.125% of value of cargo

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¹ 6.25% air cargo tax was expired during the period, January 1, 1996-August 26, 1996.

**VIII. HISTORY OF FEDERAL EXCISE TAXES IMPOSED ON USE OF
TRANSPORTATION VEHICLES, 1932-1996**

<u>Transportation Service</u>	<u>1932-34</u>	<u>1934-42</u>	<u>1942-46</u>	<u>1946-56</u>	<u>1956-61</u>	<u>1961-70</u>	<u>1970-80</u>	<u>1980-84</u>	<u>1984-96</u>
Use of heavy motor vehicles					\$1.50 per 1,000 lbs. per year. No tax on vehicles under 26,000 lbs.	\$3.00 per 1,000 lbs. per year. No tax on vehicles under 26,000 lbs.	\$3.00 per 1,000 lbs. per year. No tax on vehicles under 26,000 lbs.	\$3.00 per 1,000 lbs. per year. No tax on vehicles under 26,000 lbs.	Vehicles under 55,000 lbs; no tax; 55,000 lb. to 75,000 lbs; \$100 per year plus \$22 for each 1,000 lbs. over 55,000; over 75,000 lbs; \$550.
Use of motor vehicles generally			\$5 per year per vehicle						
Use of commercial boats	\$10-\$200 per year, depending on size.		\$5-\$200 per year, depending on size.						
Use of civil aircraft							\$25 plus 2¢/lb. for weight in excess of 2,500 lbs. For turbine-engine-powered aircraft: \$25 plus 3.5¢/lb. of weight.		

**IX. SELECTED STATISTICAL INFORMATION
ON FEDERAL EXCISE TAXES**

A. Relationship of Excise Tax Receipts and Total Tax Receipts

Table 1.--Excise Tax Receipts in Millions of Dollars and as a Percentage of Total Federal Receipts, 1890-1995

<u>Year</u>	<u>Excise Tax (millions of dollars)</u>	<u>Excise Tax Receipts as Percentage of Total Revenue</u>	<u>Year</u>	<u>Excise Tax (millions of dollars)</u>	<u>Excise Tax Receipts as Percentage of Total Revenue</u>
1890	142	98.60	1910	267	92.07
1891	145	99.32	1911	287	88.85
1892	152	98.70	1912	291	90.37
1893	159	98.76	1913	308	89.53
1894	145	98.64	1914	307	80.79
1895	142	99.30	1915	328	78.85
1896	145	98.64	1916	340	66.28
1897	145	99.32	1917	388	47.96
1898	169	98.83	1918	637	17.22
1899	265	97.07	1919	837	21.74
1900	284	96.27	1920	808	14.94
1901	294	95.77	1921	685	14.91
1902	259	95.22	1922	593	18.55
1903	223	96.54	1923	625	23.84
1904	230	98.71	1924	667	23.86
1905	232	99.15	1925	543	21.01
1906	248	99.60	1926	571	20.13
1907	268	99.26	1927	482	16.82
1908	250	99.21	1928	481	17.23
1909	245	99.59	1929	540	18.37

Table 1.--Excise Tax Receipts in Millions of Dollars and as a Percentage of Total Federal Receipts, 1890-1995

<u>Year</u>	<u>Excise Tax (millions of dollars)</u>	<u>Excise Tax Receipts as Percentage of Total Revenue</u>	<u>Year</u>	<u>Excise Tax (millions of dollars)</u>	<u>Excise Tax Receipts as Percentage of Total Revenue</u>
1930	565	18.59	1956	9,929	13.31
1931	520	21.42	1957	10,534	13.17
1932	454	29.14	1958	10,638	13.36
1933	839	51.79	1959	10,578	13.35
1934	1,288	45.82	1960	11,676	12.62
1935	1,364	39.87	1961	11,860	12.57
1936	1,547	41.58	1962	12,534	12.57
1937	1,765	34.82	1963	13,194	12.38
1938	1,731	27.60	1964	13,731	12.19
1939	1,768	29.72	1965	14,570	12.47
1940	1,885	30.19	1966	13,062	9.98
1941	2,399	29.29	1967	13,719	9.22
1942	3,141	23.23	1968	14,079	9.20
1943	3,798	17.07	1969	15,222	8.15
1944	4,464	10.88	1970	15,705	8.15
1945	5,945	13.87	1971	16,614	8.88
1946	6,684	17.81	1972	15,477	7.47
1947	7,283	18.72	1973	16,260	7.05
1948	7,410	17.70	1974	16,844	6.40
1949	7,578	19.03	1975	16,551	5.93
1950	7,598	19.14	1976	16,963	5.69
1951	8,704	16.75	1977	17,548	4.94
1952	8,971	13.38	1978	18,376	4.60
1953	9,946	14.19	1979	18,745	4.05
1954	9,517	14.27	1980	24,329	4.70
1955	9,131	13.95	1981	40,839	6.81

Table 1.--Excise Tax Receipts in Millions of Dollars and as a Percentage of Total Federal Receipts, 1890-1995

Year	Excise Tax (millions of dollars)	Excise Tax Receipts as Percentage of Total Revenue
1982	36,311	5.88
1983	35,300	5.88
1984	37,361	5.61
1985	35,992	4.90
1986	32,919	4.28
1987	32,457	3.80
1988	35,227	3.88
1989	34,386	3.47
1990	35,345	3.43
1991	42,402	4.02
1992	45,569	4.18
1993	48,057	4.17
1994	55,225	4.39
1995	57,484	4.24

Source: Joint Committee on Taxation; Office of Management and Budget, Historical Tables, Budget of the United States Government, Fiscal Year 1997; and Census Bureau. Department of Commerce, Historical Statistics of the United States Colonial Times to Present.

Figure 1.-- Excise Tax Receipts as a Percentage of Total Federal Receipts, 1890-1995

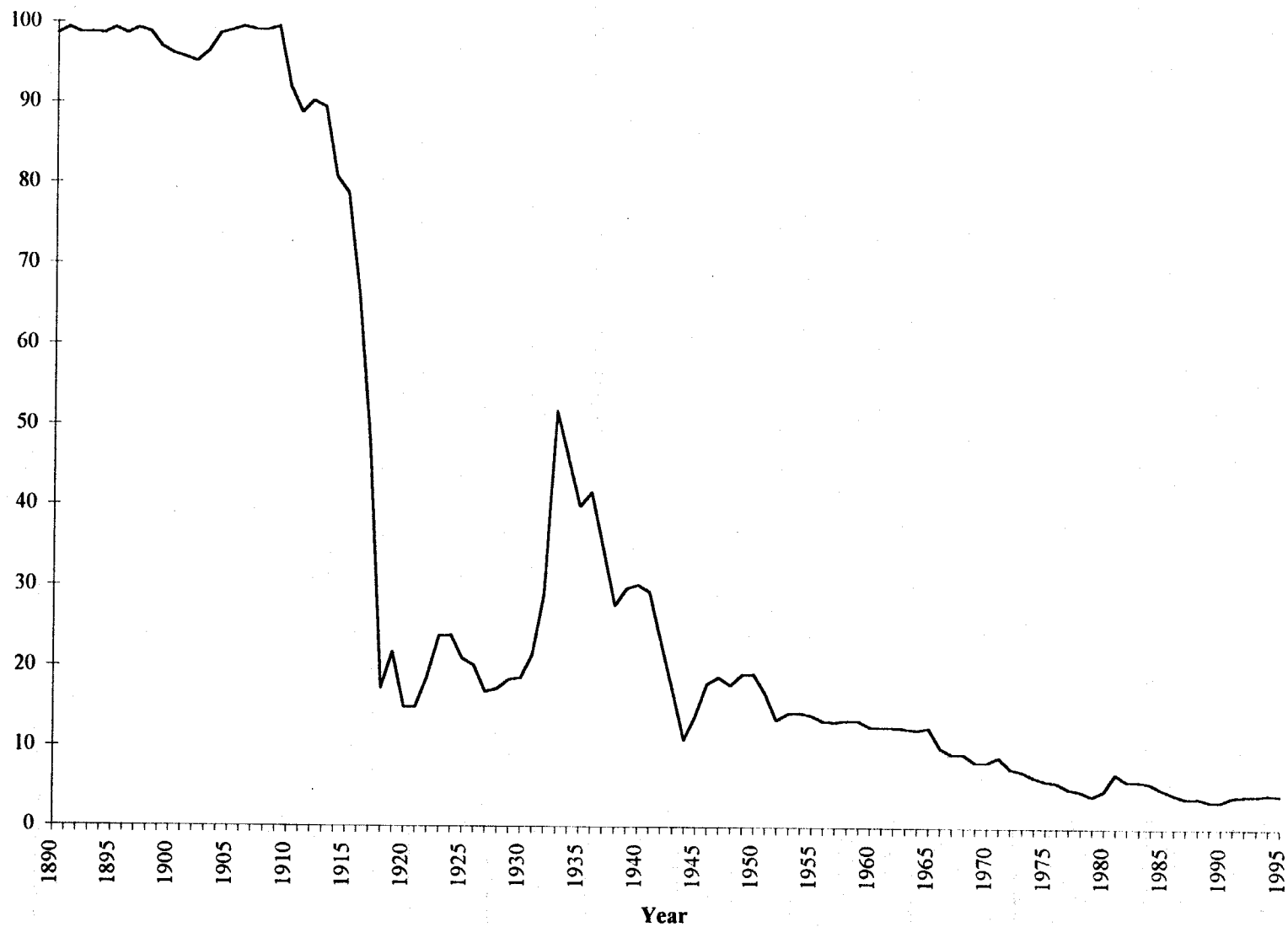


Table 2.--Selected Federal Transportation Excise Tax Receipts, 1955-1995

(all figures in millions of nominal dollars)

Year	Trust Fund Excise Taxes			General Fund Transportation Fuels	Total Excise Tax Receipts
	Highway	Airway	Total Trust Fund		
1955					9,131
1956					9,929
1957	1,479		1,479		10,534
1958	2,026		2,026		10,638
1959	2,074		2,074		10,578
1960	2,539		2,539		11,676
1961	2,798		2,798		11,860
1962	2,949		2,949		12,534
1963	3,279		3,279		13,194
1964	3,519		3,519		13,731
1965	3,659		3,659		14,570
1966	3,917		3,917		13,062
1967	4,441		4,441		13,719
1968	4,379		4,379		14,079
1969	4,637		4,637		15,222
1970	5,354		5,354		15,702
1971	5,542	563	6,104		16,614
1972	5,322	649	5,971		15,477
1973	5,665	758	6,424		16,260
1974	6,260	840	7,100		16,844
1975	6,188	962	7,151		16,551
1976	5,413	938	6,351		16,963
1977	6,709	1,191	7,900		17,548
1978	6,904	1,326	8,323		18,376
1979	7,189	1,526	8,937		18,745
1980	6,620	1,874	8,766		17,395
1981	6,305	21	6,711		17,587
1982	6,744	133	7,641		17,904
1983	8,297	2,165	11,214		23,165
1984	11,743	2,499	15,082		28,455
1985	13,015	2,851	16,894		29,644
1986	13,363	2,736	16,866		30,668
1987	13,032	3,060	17,613		32,457
1988	14,114	3,189	19,042		35,227
1989	15,628	3,664	21,239		34,386
1990	13,867	3,700	19,754		35,345

Year	Trust Fund Excise Taxes			General Fund Transportation Fuels	Total Excise Tax Receipts
	Highway	Airway	Total Trust Fund		
1991	16,979	4,910	24,127	2,780	42,402
1992	16,733	4,645	23,733	3,512	45,569
1993	18,039	3,262	23,535	3,340	48,057
1994	16,668	5,189	23,999	9,402	55,225
1995	22,611	5,534	30,543	8,491	57,484

Source: Joint Committee on Taxation; Office of Management and Budget, Historical tables, Budget of the United States Government, Fiscal Year 1997; Joint Committee on Internal Revenue Taxation, Federal Excise Tax Data, (JCS-2-67), May 1967; and selected years of the Budget of the United States Government.

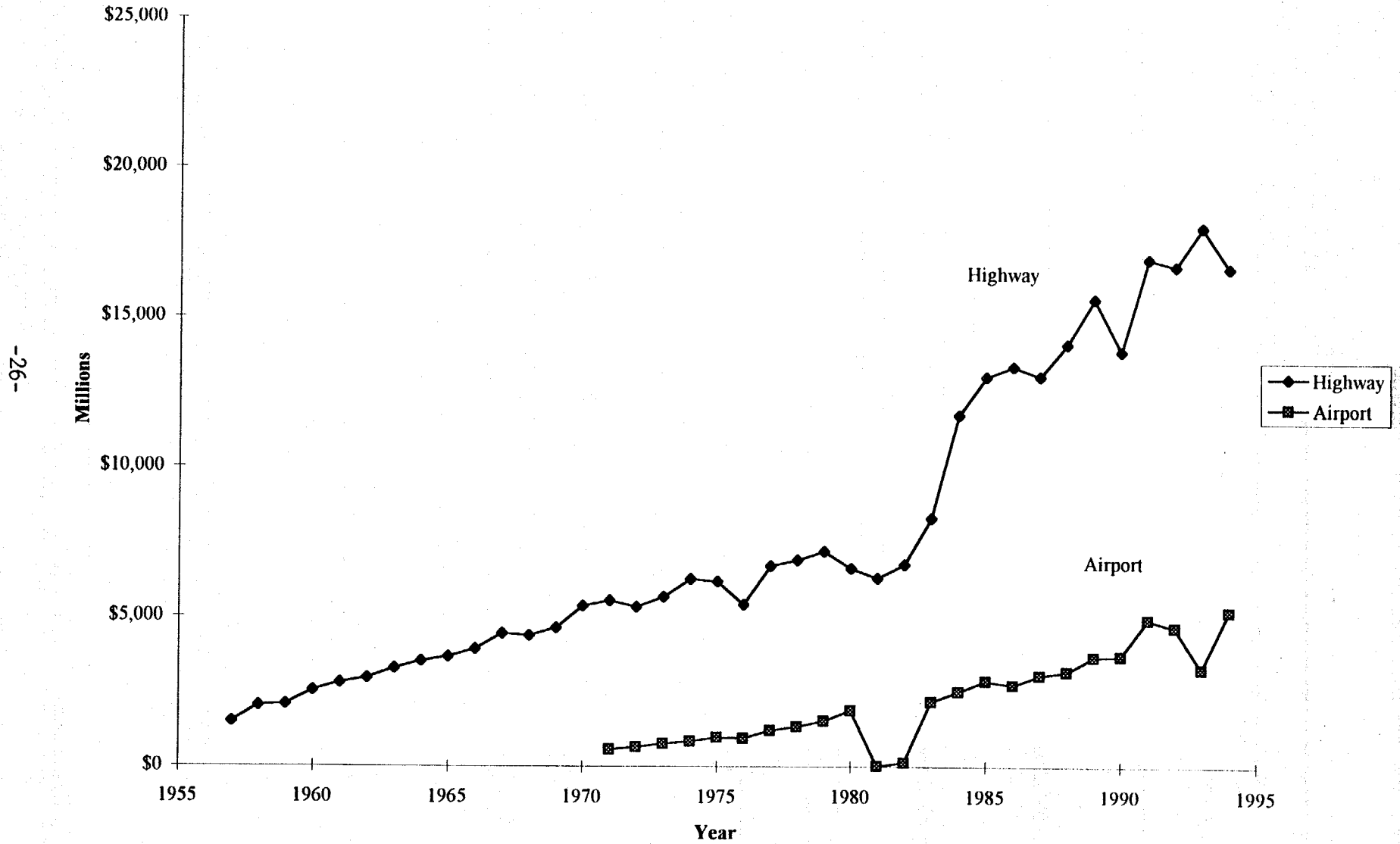
**Table 3.--Selected Transportation Excise Tax Receipts as
a Percentage of Total Excise Tax Receipts, 1955-1995**

<u>Year</u>	<u>General Fund Transportation Fuels</u>	<u>Highway Trust Fund</u>	<u>Airport Trust Fund</u>
1955			
1956			
1957		14%	
1958		19%	
1959		20%	
1960		22%	
1961		24%	
1962		24%	
1963		25%	
1964		26%	
1965		25%	
1966		30%	
1967		32%	
1968		31%	
1969		30%	
1970		34%	
1971		33%	3%
1972		34%	4%
1973		35%	5%
1974		37%	5%
1975		37%	6%
1976		32%	6%
1977		38%	7%
1978		38%	7%
1979		38%	8%
1980		38%	11%
1981		36%	0%
1982		38%	1%
1983		36%	9%
1984		41%	9%
1985		44%	10%
1986		44%	9%
1987		40%	9%
1988		40%	9%
1989		45%	11%
1990		39%	10%

Year	General Fund Transportation Fuels	Highway Trust Fund	Airport Trust Fund
1991	7%	40%	12%
1992	8%	37%	10%
1993	7%	38%	7%
1994	17%	30%	9%
1995	15%	39%	10%

Source: Joint Committee on Taxation; Office of Management and Budget, Historical tables, Budget of the United States Government, Fiscal Year 1997; Joint Committee on Internal Revenue Taxation, Federal Excise Tax Data. (JCS-2-67), May 1967; and selected years of the Budget of the United States Government.

Figure 2.--Highway and Airport Trust Fund Excise Tax Receipts, Fiscal Years 1957-1995



B. Nominal and Real Values of Selected Transportation Excise Taxes

**Table 4.--Nominal and Real Value of Federal Excise Taxes
on Gasoline and Diesel Fuel, 1955-1996**

<u>Year</u>	<u>Nominal Federal Excise Taxes on Gasoline (cents per gallon)</u>	<u>Real Federal Excise Taxes on Gasoline (1984 cents per gallon)</u>	<u>Nominal Federal Excise Taxes on Diesel Fuel (cents per gallon)</u>	<u>Real Federal Excise Taxes on Diesel Fuel (1984 cents per gallon)</u>
1955	2.0	7.75	2.0	7.75
1956	3.0	11.46	3.0	11.46
1957	3.0	11.09	3.0	11.09
1958	3.0	10.79	3.0	10.79
1959	3.0	10.71	3.0	10.71
1960	4.0	14.04	4.0	14.04
1961	4.0	13.90	4.0	13.90
1962	4.0	13.76	4.0	13.76
1963	4.0	13.58	4.0	13.58
1964	4.0	13.41	4.0	13.41
1965	4.0	13.19	4.0	13.19
1966	4.0	12.83	4.0	12.83
1967	4.0	12.44	4.0	12.44
1968	4.0	11.94	4.0	11.94
1969	4.0	11.32	4.0	11.32
1970	4.0	10.71	4.0	10.71
1971	4.0	10.26	4.0	10.26
1972	4.0	9.94	4.0	9.94
1973	4.0	9.36	4.0	9.36
1974	4.0	8.43	4.0	8.43
1975	4.0	7.72	4.0	7.72
1976	4.0	7.30	4.0	7.30
1977	4.0	6.86	4.0	6.86
1978	4.0	6.37	4.0	6.37
1979	4.0	5.72	4.0	5.72
1980	4.0	5.04	4.0	5.04
1981	4.0	4.57	4.0	4.57
1982	4.0	4.31	4.0	4.31
1983	9.0	9.39	9.0	9.39
1984	9.0	9.00	15.0	15.00
1985	9.0	8.69	15.0	14.48
1986	9.0	8.53	15.0	14.22
1987	9.1	8.32	15.1	13.81
1988	9.1	7.99	15.1	13.26
1989	9.1	7.62	15.1	12.65
1990	14.1	11.21	20.1	15.98
1991	14.1	10.76	20.1	15.33

Year	Nominal Federal Excise Taxes on Gasoline (cents per gallon)	Real Federal Excise Taxes on Gasoline (1984 cents per gallon)	Nominal Federal Excise Taxes on Diesel Fuel (cents per gallon)	Real Federal Excise Taxes on Diesel Fuel (1984 cents per gallon)
1992	14.1	10.44	20.1	14.89
1993	18.4	13.23	24.4	17.54
1994	18.4	12.90	24.4	17.11
1995	18.4	12.54	24.4	16.63
1996	18.3		24.3	

Source: Joint Committee on Taxation.

Figure 3.--Nominal and Real Value of Federal Excise Tax Rate on Gasoline, 1955-1995

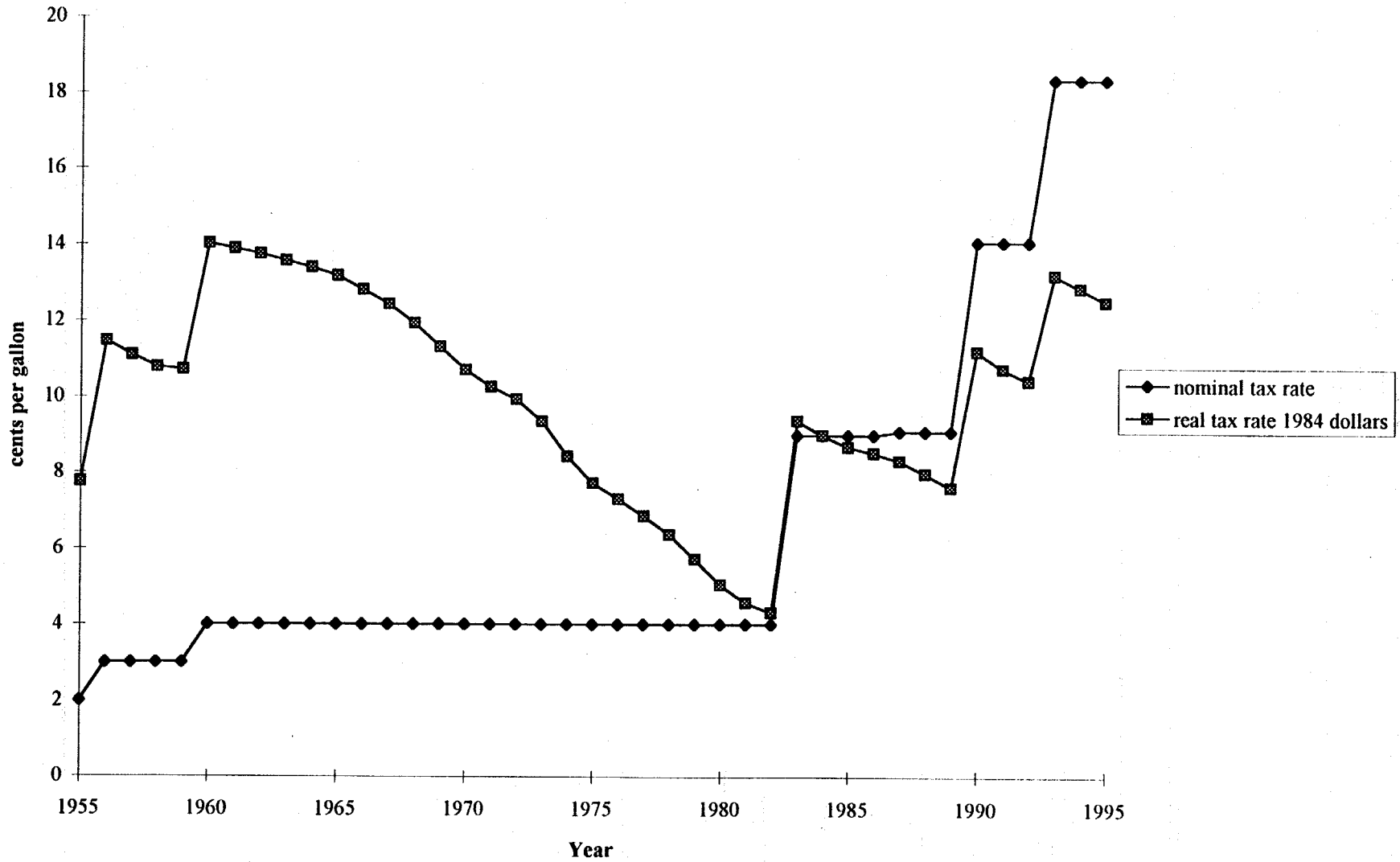


Figure 4.--Nominal and Real Value of Federal Excise Tax Rate on Diesel Fuel, 1955-1995



C. Historical Prices of Highway Motor Fuels

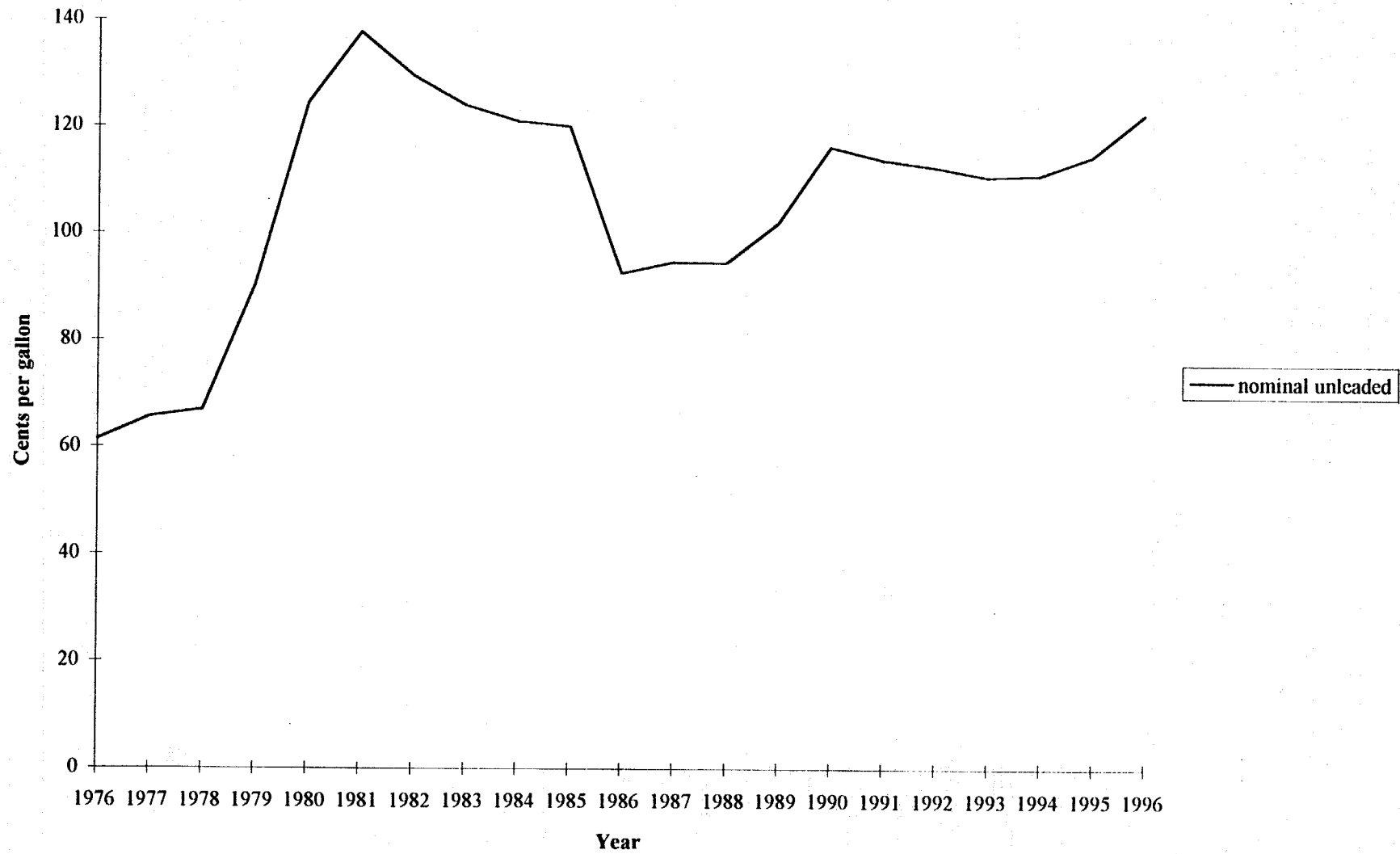
**Table 5.--Motor Gasoline Retail Price, U.S. City Average
(including taxes), in Nominal and 1984 Real Cents per Gallon,
1976-1996**

Year	Nominal Unleaded Gasoline Price (cents per gallon)	Real Unleaded Gasoline Price (1984 cents per gallon)
1976	61.4	107.91
1977	65.6	108.25
1978	67.0	102.76
1979	90.3	124.38
1980	124.5	151.09
1981	137.8	151.60
1982	129.6	134.30
1983	124.1	124.60
1984	121.2	116.65
1985	120.2	111.71
1986	92.7	84.58
1987	94.8	83.45
1988	94.6	79.97
1989	102.1	82.34
1990	116.4	89.06
1991	114.0	83.70
1992	112.7	80.33
1993	110.8	76.68
1994	111.2	75.03
1995	114.7	75.26
1996	122.6	77.69

Source: Energy Information Administration, Department of Energy, Monthly Energy Review, November 1996.

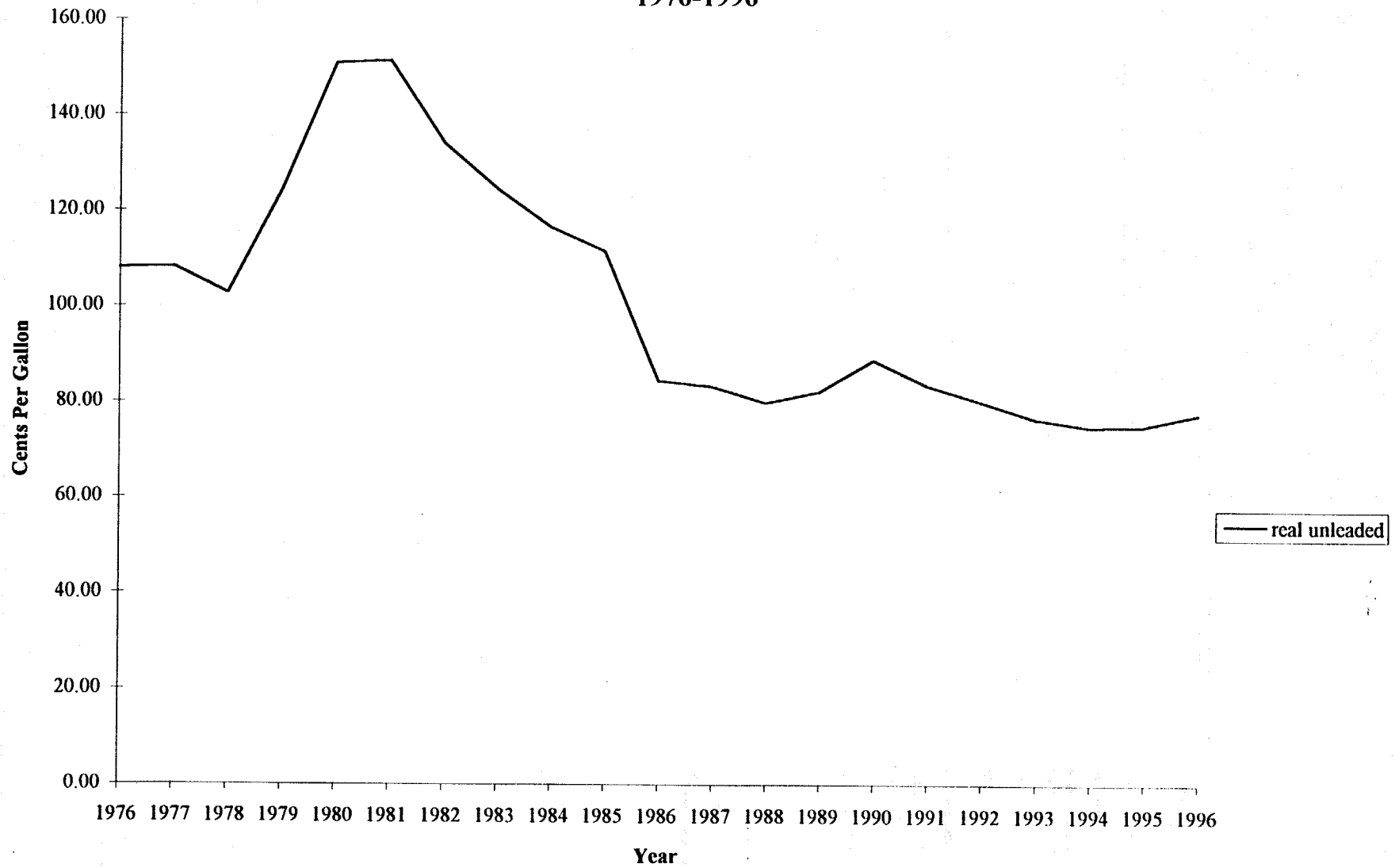
Note: Prices are annual average prices except for 1996 which is the average price for September 1996.

Figure 5.--Nominal Retail Price of Unleaded Regular Gasoline 1976-1996



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**Figure 6.--Price of Unleaded Regular Gasoline in Real 1984 Dollars
1976-1996**



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Source: U.S. Department of Energy and JCT calculations.

APPENDIX:
**Information Received From Executive Agencies in Response to Joint Committee on
Taxation Staff Requests Regarding Non-Tax User Fees
Imposed on Transportation Providers**

As discussed in the Joint Committee on Taxation's initial response¹ to Chairman Archer's request for assistance to the Committee on Ways and Means transportation task force, non-tax or "true" user fees may be imposed by expenditure authorization and appropriation Acts or by agencies of the Executive Department pursuant to such Acts. This Appendix reproduces information received from three agencies in response to requests from the Joint Committee on Taxation regarding such fees imposed with regard to programs within their jurisdiction:

1. Letter of November 21, 1996, from the Honorable Federico Pena, Secretary of Transportation, to Kenneth J. Kies.
2. Letter of November 18, 1996, from Michael V. Dunn, Assistant Secretary for Marketing and Regulatory Reforms, Department of Agriculture, to Kenneth J. Kies.
3. Letter of November 25, 1996, from Russell L. Fuhrman, Major General, U.S. Army, Director of Civil Works, Army Corps of Engineers, to Kenneth J. Kies.

¹ See Joint Committee on Taxation, Present Law and Background on Federal Transportation Excise Taxes and Trust Fund Expenditure Programs (JCS-10-96), November 14, 1996.



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

NOV 22 1996

November 21, 1996

Mr. Kenneth J. Kies
Chief of Staff
Joint Committee on Taxation
1015 Longworth House Office Building
Washington, DC 20515-6453

Dear Mr. Kies:

This responds to your October 24th request for information and technical assistance for a special task force on transportation tax issues. We appreciate your interest.

Per your request, we are now providing information on the various user fees that are charged to transportation providers. We are also including information on the excise taxes that are paid by transportation users. I hope that this information will be useful.

I understand that you have already received preliminary information on the highway cost allocation study that is currently underway and on a study to identify the fully allocated costs of providing services to various aviation users. Both studies should be completed shortly, and we will then provide copies to you.

If I can be of further assistance, please contact me or Steven Palmer, Assistant Secretary for Governmental Affairs at 202/366-4573.

Sincerely,

A handwritten signature in cursive script, which appears to read 'Federico Peña', is written over a faint circular stamp.

Federico Peña

Enclosures

USER FEES FOR TRANSPORTATION SERVICES

Federal Aviation Administration (FAA)

Under PL 103-272 (Sections 45301 and 45302), the FAA has authority to impose a variety of fees related to aircraft registration and airman certification, as follows:

- FAA currently charges between \$30 and \$960 for the various licenses and certificates it issues to all types of aviation personnel including pilots, flight engineers, and mechanics.
- Under current law, FAA may charge up to \$25 for aircraft registration certificates and up to \$15 for renewals. These fees are estimated to cover about one third of the actual costs of the service provided.
- FAA may charge up to \$7.50 for processing forms for major repairs and alteration of aircraft fuel tanks and fuel systems

Money collected from these fees is credited to the Treasury account in which the expenses are incurred and is available to the FAA Administrator to pay expenses for which the fees are collected.

The FAA reauthorization P.L. 104-264 requires the FAA Administrator to establish a schedule of new user fees for aircraft that overfly U.S. airspace, but neither land nor take-off at a U.S. airport. Collections are limited to \$100 million in 1997, and must be related to costs of providing the service.

US Coast Guard

Marine oil spill prevention and clean-up activities are paid from three accounts (for operations, capital, and R&D) financed by appropriations from the Oil Spill Liability Trust Fund (OSLTF). FY 1997 appropriations from the OSLTF for the three accounts total \$50 million. In addition, an Emergency Fund (for major cleanups) is permanently funded at \$50 million, and claims for damages are paid from permanent funds of \$10 million. A per-barrel tax on crude oil is transferred into the OSLTF, but collection was suspended by operation of law designed to limit the OSLTF cash balance.

Boating Safety -- This program promotes recreational boating safety by providing grants to States to be used for State safety programs, such as enforcing local boating while intoxicated laws and providing public boating safety education. The source of funding is the gas taxes that are transferred into the Aquatic Resources Trust Fund (from the Highway Trust Fund) and paid by recreational vessel owners.

Marine Inspections -- The Coast Guard conducts annual safety inspections (including qualification of crews) of U.S. commercial ships and offshore facilities such as oil drill rigs. The Coast Guard also issues Certificates of Documentation (similar to car registration) for these

vessels and facilities. Per the Omnibus Budget Reconciliation Act of 1990, the Coast Guard is authorized to charge user fees for the inspection of vessels. Annual vessel inspection charges range from \$300 and \$14,650 depending on vessel size and class.

Marine Licensing -- The Coast Guard issues licenses to merchant marine officers and documents to vessel crewmen. These licenses and documents are renewed every five years. The charges for initial issue for licenses and documents range between \$52 and \$272; renewal charges are somewhat lower.

Research and Special Programs Administration (RSPA)

Pipeline Safety -- Under the authority of Section 16 of the Natural Gas Pipeline Safety Act of 1968 (NGPSA) and Section 213 of the Hazardous Liquid Pipeline Safety Act (HLPSA) of 1979, RSPA's Office of Pipeline Safety (OPS) develops and enforces safety regulations for industries that use pipelines as a mode of transportation for hazardous liquids and gases. This program is fully financed by annual user fees from the pipeline industry.

In FY 1996, the fee structure was \$77 per mile of pipe for the gas industry and \$50 for the liquid industry. Total fees collected in FY 1996 were approximately \$31 million. In addition, the program also received \$2.6 million from the OSLTF.

Emergency Preparedness Grant program activities are financed from a \$300 user fee levied on about 27,000 shippers and carriers of hazardous materials.

Saint Lawrence Seaway Development Corporation (SLSDC)

The SLSDC collects two fees on non-cargo vessels for use of SLSDC locks:

- Military vessels and tugs \$15 per lock transited
- Pleasure craft \$10 per lock transited

The SLSDC also collects a passenger fee of \$1.18 per passenger per lock transited.

Surface Transportation Board (STB)

Under the authority granted in the Independent Office Appropriations Act of 1952, the STB collects fees associated with the functions transferred as a result of the termination of the Interstate Commerce Commission. The following table summarizes the major fees categories and projected revenues for FY 1996:

<u>Transportation Mode and Activity Description</u>	<u>Fiscal Year'96 Annualized Filing Activity</u>	<u>Fiscal Year '96 Annualized Revenue</u>
<u>STB - Rail</u>		
Tariff/Contract Summaries	46,849	\$609,040
Major Merger Transaction	1	196,900
Abandonment - Notice of Exempt	86	163,400
Abandonment - Petition Exempt	34	112,200
Abandonment - Application	9	105,300
Purchase, Lease-Pet. - Exempt	24	87,000
Documents for Recordation	3,003	63,693
Construction-Petition Exempt	18	54,000
Construction Exten. - Notice Exempt	46	43,700
Trackage Rights - Notice Exempt	58	37,700
Subtotal STB - Rail	xxx	1,472,933
Other Miscellaneous STB - Rail	xxx	147,158
Total STB - Rail	xxx	\$1,620,091
 <u>STB - Motor</u>		
Miscellaneous STB - Motor	xxx	237,782
GRAND TOTAL STB MOTOR AND RAIL	xxx	\$1,857,873

Office of the Secretary (OST)

OST charges fees to process applications for transportation services that are generally related to interstate and overseas air transportation. The 50 services along with the fee for each service are listed on the following table:

<u>Service</u>	<u>Fee (\$s)</u>
Certificate of Public Convenience and Necessity:	
Application under sec. 401	
Charter	850
Scheduled Service	850
Dormant Authority	290
All-Cargo under sec. 418	670
Transfer	290
Air Taxi Registration	8
Scheduled Passenger Commuter Registration	670
Change of Name	56
(registration of trade name or reissuance of certificate)	
Exemption Request (General):	
Section 403	53
Section 401 (domestic)	280
Section 419	120
Service Mail Rate Petition	420
Foreign Air Transportation (U.S. and Air Carriers)	
Certificate of Public Convenience and Necessity (sec. 401):	
Scheduled Service	900
Amendment to application	425
Charter Service	600
Amendment to application	200
Transfer	255
Change of Name (registration of trade name of reissuance of certificate)	56
Foreign Air Carrier Permit (sec. 402):	
Initial	760
Amendment/Renewal of permit	475
Amendment to application for a permit	215
Exemption:	
Section 403	53
Section 401/402:	
10 or fewer flights	77
More than 10 flights	360
Filed less than 10 days before effective date requested	17