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Gas Tax

In November, the Wisconsin Department of Transportation (WisDOT) proposed a transportation budget that included a 5-cent per gallon increase in the tax on gasoline. How much more would an additional 5-cent per gallon tax add each year on a vehicle driven 12,000 miles per year that gets the national average of 22.5 miles per gallon?

a) $122  
b) $77  
c) $42  
d) $27

Answer: d) An additional 5-cent per gallon tax on gas would increase the total gas taxes paid in this example by $27 per year. A vehicle that averages 15 MPG would pay an additional $40 in gas tax while a higher mileage vehicle averaging 45 MPG would pay $13 more in gas taxes per year.

Currently, the tax on gasoline in Wisconsin is 51.3 cents per gallon. That includes 32.9 cents per gallon in state tax and 18.4 cents in federal taxes. State sales tax is not charged on gasoline purchases in Wisconsin.

Wisconsin’s tax on gasoline is lower than Illinois and Michigan, but higher than Iowa and Minnesota. However, when registration fees and local taxes are added, Wisconsin has the lowest total in taxes and fees per vehicle in the five state region.

Source: [http://www.dot.state.wi.us/about/docs/5-fundingcomparison.pdf](http://www.dot.state.wi.us/about/docs/5-fundingcomparison.pdf)

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