

Explanatory Notes
for
Comparison of Automobile Related Taxes
January 2024

The purpose of this analysis is to compare how much the typical highway user (motorist) pays in automobile related taxes and fees (cents per gallon) for ownership and operation of a light motor vehicle (car/pick-up truck/sport utility vehicle). The analysis compares motorist taxes and fees in Oregon to the neighboring states of Washington, California, Idaho, and Nevada as well as Montana and Utah.

The comparison includes: 1) state gasoline excise tax, 2) gasoline sales and local option taxes, 3) re-registration and related fees, 4) ad valorem (value-based taxes, 5) prorated automobile sales taxes, and 6) prorated title and related fees. The federal excise tax of 18.4 cents per gallon, state/local air emissions fees, and tolls are excluded. To the extent possible, all taxes and fees compared are those current for the calendar year 2024.

The comparison shows that typical motorist taxes and fees are lower in Oregon and Montana than in other western states, regardless of whether the money is spent on highways or not.

In Oregon, other than the privilege tax, all motorist taxes and fees are constitutionally dedicated to roads. Other western states place some motorist revenues in their general funds to support non-highway/transit programs, even non-transportation programs. For example, many western states impose both a state sales tax and a local option sales tax on automobile purchases. These sales taxes usually generate more revenue than the gas tax on a cents per gallon basis for the typical motorist.

Sources: Oregon Department of Transportation, Office of Finance and Budget; US DOT Bureau of Transportation Statistics; National Household Travel Survey; AAA; and various state government websites.

| Tax: | BORDERING STATES | | | | | OTHER WESTERN STATES | |
|--|------------------|---------------|---------------|---------------|---------------|----------------------|---------------|
| | Oregon | Washington | California | Idaho | Nevada | Montana | Utah |
| State Gasoline Excise Tax (a) | 40.0¢ | 49.4¢ | 47.3¢ | 32.0¢ | 23.0¢ | 33.0¢ | 36.5¢ |
| Petroleum Clean-up/Load fees | 0.1¢ | 3.43¢ | 0.75¢ | 1.0¢ | 0.81¢ | 0.75¢ | 0.65¢ |
| Gasoline Sales and Local Option Taxes(b) | 1.98¢ | 30.7¢ | 45.6¢ | 0.0¢ | 31.8¢ | 0.0¢ | 0.0¢ |
| Re-Registration and Related Fees (c) | \$80.93 | \$108.25 | \$110.50 | \$46.25 | \$34.00 | \$99.91 | \$70.37 |
| Tax Equivalent (Cents/Gallon) | 19.9¢ | 26.6¢ | 27.1¢ | 11.3¢ | 8.3¢ | 24.5¢ | 17.3¢ |
| Median Ad Valorem Taxes (d) | \$0.00 | \$115.24 | \$118.24 | \$0.00 | \$78.57 | \$39.02 | \$50.00 |
| Tax Equivalent (Cents/Gallon) | 0¢ | 23.0¢ | 23.6¢ | 0¢ | 15.7¢ | 7.8¢ | 10.0¢ |
| Prorated Automobile Sales Taxes (e) | \$26.96 | \$403.78 | \$395.65 | \$282.27 | \$387.46 | \$0.00 | \$333.02 |
| Tax Equivalent (Cents/Gallon) | 6.6¢ | 99.1¢ | 97.1¢ | 69.3¢ | 95.1¢ | 0¢ | 81.7¢ |
| Prorated Title and Related Fees (f) | \$17.67 | \$31.31 | \$4.17 | \$3.17 | \$6.21 | \$2.15 | \$1.00 |
| Tax Equivalent (Cents/Gallon) | 4.3¢ | 7.7¢ | 1.0¢ | 0.8¢ | 1.5¢ | 0.5¢ | 0.2¢ |
| Total Equivalent Cents/Gallon (g) | 72.9¢ | 239.9¢ | 242.5¢ | 114.4¢ | 176.2¢ | 66.6¢ | 146.4¢ |

(a) Excludes federal excise tax of 18.4 cents per gallon. Includes petroleum clean-up taxes.

(b) Includes weighted-average sales taxes and weighted-average local option excise taxes. Assumes \$3.82 per gallon tax inclusive retail price (2022 OR average, AAA).

(c) Includes miscellaneous and weighted-average local option fees for median-age vehicle (11 years). Excludes air emissions fees.

(d) Applies state formula to national median-age (11 years) of an average new price auto (\$45,595). Includes weighted-average local option taxes.

(e) Prorated over six years based on an average used price auto (\$37,158). Includes weighted-average local option taxes. Oregon Privilege and Use Tax calculated assuming \$45,595 new car price times 0.5% rate, averaged over all registered vehicles for 2022.

(f) Prorated over six years.

(g) Based on estimated average gallons of 486.5 per year. Excludes tolls.

Sources: Oregon Department of Transportation, Office of Finance and Budget; US DOT Bureau of Transportation Statistics; National Household Travel Survey; AAA; and various state government websites.