

Vermont's Gas Tax

Senate Committee on Transportation

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Gas Tax Overview

- VT has a **hybrid gas tax system** comprised of fixed taxes and two variable assessments that are calculated quarterly based on price.
- State fixed taxes total \$0.131:
 - \$0.121 gasoline tax is deposited *primarily* in the Transportation Fund.
 - \$.01 Petroleum Cleanup Fee is deposited in the Petroleum Cleanup Fund
- State Variable Assessment Rate
 - **4%** Motor Fuel Tax Assessment (MFTA) to the **T-Fund**
 - **2%** Motor Fuel Transportation Infrastructure Assessment (MFTIA) to the **TIB Fund**

Table 1: Gasoline Taxes and Assessments
(as of January - March, 2026)

Revenue Source	Effective Tax (cents per gallon)	Fund/Purpose	Description/Statute Citation
Per-Gallon General Gasoline Tax	11.345	Transportation Fund	23 V.S.A. § 3106(a)(1)(A)
	0.380	DUI Enforcement Fund	23 V.S.A. § 1220a(b)(3)
	0.285	Fish and Wildlife Fund	0.375 cents is distributed 76% to Fish and Wildlife Fund, 24% to Department of Forests, Parks, and Recreation for natural resource management. 23 V.S.A. § 3106(d).
	0.090	Dept of Forests, Parks, and Recreation	
<i>Total Per-Gallon General Gas Tax</i>	12.100		
Petroleum Cleanup Fee	1.000	Petroleum Cleanup Fund	10 V.S.A. § 1942
MFTA Gasoline Assessment (4%)	13.400	Transportation Fund	Calculated quarterly based on 4% of average tax-adjusted retail prices of prior quarter. Minimum of 13.4 cents, maximum of 18 cents. 23 V.S.A. § 3106(a)(1)(B)(ii).
MFTIA TIB Assessment (2%)	5.010	Transportation Infrastructure Bond (TIB) Fund	Calculated quarterly based on 2% of average tax-adjusted retail prices of prior quarter. Minimum of 3.96 cents, no maximum. 23 V.S.A. § 3106(a)(1)(B)(i).
Total State Taxes & Assessments	31.510		
Federal Gas Tax	18.400	Federal Highway Trust Fund	
Total State + Federal Taxes & Assessments	49.910		



Gasoline Assessments

- **VT levies 2 variable gasoline assessments:**
 - **4% Motor Fuel Tax Assessment (MFTA) to the T-Fund**
 - Minimum of \$0.1340 (<\$3.87 at the pump) and maximum of \$0.18 (>\$5.08 at the pump)
 - **2% Motor Fuel Transportation Infrastructure Assessment (MFTIA) to the TIB Fund**
 - Minimum of \$0.0396 (<\$2.48 at the pump) and no maximum
- **Assessments are calculated based on the tax-adjusted average retail price of regular gas during the prior quarter.**

Vermont Gasoline Taxes and Assessments										
per gallon	a	b	c		d	e	f = a-b-c-d-e	g = f * 0.04	h = f * 0.02	i = b+c+d+e
	Average Retail Price	Federal Gas Tax	VT State Taxes and Assessments			Tax-Adjusted Price	Next Quarter		Total Federal + State Taxes and Assessments	
			Fixed Gas Taxes	Current Quarter			MFTA 4%	MFTIA 2%		
FY 2024 Q1	\$ 3.7300	\$0.1840	\$0.1310	\$0.1340	\$0.0602	\$ 3.2208	\$0.1340	\$0.0644	\$ 0.5092	
FY 2024 Q2	\$ 3.5700	\$0.1840	\$0.1310	\$0.1340	\$0.0644	\$ 3.0566	\$0.1340	\$0.0611	\$ 0.5134	
FY 2024 Q3	\$ 3.2363	\$0.1840	\$0.1310	\$0.1340	\$0.0611	\$ 2.7262	\$0.1340	\$0.0545	\$ 0.5101	
FY 2024 Q4	\$ 3.5066	\$0.1840	\$0.1310	\$0.1340	\$0.0545	\$ 3.0031	\$0.1340	\$0.0601	\$ 0.5035	
FY 2025 Q1	\$ 3.4433	\$0.1840	\$0.1310	\$0.1340	\$0.0601	\$ 2.9342	\$0.1340	\$0.0587	\$ 0.5091	
FY 2025 Q2	\$ 3.0977	\$0.1840	\$0.1310	\$0.1340	\$0.0587	\$ 2.5900	\$0.1340	\$0.0518	\$ 0.5077	
FY 2025 Q3	\$ 2.9658	\$0.1840	\$0.1310	\$0.1340	\$0.0518	\$ 2.4650	\$0.1340	\$0.0493	\$ 0.5008	
FY 2025 Q4	\$ 2.9433	\$0.1840	\$0.1310	\$0.1340	\$0.0493	\$ 2.4450	\$0.1340	\$0.0489	\$ 0.4983	
FY2026 Q1	\$ 3.0479	\$0.1840	\$0.1310	\$0.1340	\$0.0489	\$ 2.5500	\$0.1340	\$0.0510	\$ 0.4979	
FY2026 Q2	\$ 3.0050	\$0.1840	\$0.1310	\$0.1340	\$0.0510	\$ 2.5050	\$0.1340	\$0.0501	\$ 0.5000	
FY2026 Q3		\$0.1840	\$0.1310	\$0.1340	\$0.0501				\$ 0.4991	



Diesel Taxes and Assessments

- VT levies 2 fixed taxes on diesel, plus a Petroleum Cleanup Fee:

\$0.28 Diesel Tax to the **T-Fund**

\$0.03 Diesel TIB Assessment to the **TIB Fund**

\$0.01 Petroleum Cleanup Fee to the **Petroleum Cleanup Fund**

\$0.32 Total VT Diesel Taxes and Assessments

An additional federal diesel tax of **\$0.244** also applies, for a total rate of **\$0.564**.



Vermont Transportation Revenue Forecast (January 2026)

Revenue Source	FY 2026 <i>Forecast</i>	FY 2027 <i>Forecast</i>	FY 2028 <i>Forecast</i>	FY 2029 <i>Forecast</i>	FY 2030 <i>Forecast</i>	FY 2031 <i>Forecast</i>	Forecast CAGR FY2026-2031
Gasoline Tax and Assessment Jan-26	71.2	70.8	70.4	69.9	69.4	68.7	-0.71%
Diesel Tax Jan-26	18.1	18.0	17.9	17.8	17.6	17.5	-0.67%
TIB Gasoline Assessment Jan-26	14.2	14.4	14.2	14.2	14.2	14.4	0.28%
TIB Diesel Assessment Jan-26	2.1	2.0	2.0	1.9	1.9	1.9	-2.24%