

Explanatory Notes
for
Comparison of Light Vehicle Related Taxes
January 2025

The purpose of this analysis is to compare how much the typical highway user (motorist) pays in vehicle related taxes and fees (cents per gallon, cents per mile, and average annual total cost equivalents) 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 in current law as of January 2025.

The comparison shows that typical motorist taxes and fees are lower in Oregon 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 the respective state government websites.

| Table 1: Cents / Gallon | | BORDERING STATES | | | | OTHER WESTERN STATES | |
|--|---------------|-------------------------|-------------------|---------------|---------------|-----------------------------|---------------|
| Tax: | Oregon | Washington | California | Idaho | Nevada | Montana | Utah |
| State Gasoline Excise Tax (a) | 40.0¢ | 49.4¢ | 59.6¢ | 32.0¢ | 23.0¢ | 33.0¢ | 36.5¢ |
| Petroleum Clean-up/Load fees | 0.1¢ | 3.62¢ | 0.82¢ | 1.0¢ | 0.81¢ | 0.75¢ | 0.65¢ |
| Gasoline Sales and Local Option Taxes(b) | 2.67¢ | 24.39¢ | 39.65¢ | 0.00¢ | 31.77¢ | 0.00¢ | 0.00¢ |
| Re-Registration and Related Fees (c) | \$84.51 | \$111.18 | \$121.80 | \$59.87 | \$34.00 | \$97.80 | \$84.77 |
| Tax Equivalent (Cents/Gallon) | 21.2¢ | 27.9¢ | 30.6¢ | 15.0¢ | 8.5¢ | 24.6¢ | 21.3¢ |
| Weighted Average Ad Valorem Taxes (d) | \$0.00 | \$157.00 | \$146.82 | \$0.00 | \$184.42 | \$65.27 | \$55.94 |
| Tax Equivalent (Cents/Gallon) | 0¢ | 39.4¢ | 36.9¢ | 0¢ | 46.3¢ | 16.4¢ | 14.0¢ |
| Prorated Automobile Sales Taxes (e) | \$20.95 | \$460.01 | \$448.68 | \$319.88 | \$439.11 | \$0.00 | \$377.91 |
| Tax Equivalent (Cents/Gallon) | 5.3¢ | 115.5¢ | 112.6¢ | 80.3¢ | 110.2¢ | 0¢ | 94.9¢ |
| Prorated Title and Related Fees (f) | \$17.67 | \$31.31 | \$4.50 | \$4.18 | \$6.21 | \$2.15 | \$1.00 |
| Tax Equivalent (Cents/Gallon) | 4.4¢ | 7.9¢ | 1.1¢ | 1.1¢ | 1.6¢ | 0.5¢ | 0.3¢ |
| Total Equivalent Cents/Gallon (g) | 73.7¢ | 268.1¢ | 281.3¢ | 129.4¢ | 222.2¢ | 75.2¢ | 167.6¢ |

(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 \$3.542 per gallon tax inclusive retail price.

(c) Includes miscellaneous and weighted-average local option fees for age distribution of vehicles in the Oregon fleet. Excludes air emissions fees.

(d) Applies state formula to depreciated values of vehicles based on Oregon's registered vehicle ages, with associated average price of new vehicle in the associated model year. Includes weighted-average local option taxes.

(e) Prorated over six years based on an average new and used auto prices, weighted by 28% new and 72% used shares of sales sourced from ODOT title transfer data (\$31,998). Includes weighted-average local option taxes. Oregon Privilege and Use Tax calculated assuming \$45,830 new car price times 0.5% rate, which is not imposed on used vehicle sales.

(f) Prorated over six years typical ownership length.

(g) Based on estimated average gallons of 398.3 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.

| Table 2: Cents / Mile (h)(i) | | BORDERING STATES | | | | OTHER WESTERN STATES | |
|---------------------------------------|---------------|-------------------------|-------------------|--------------|---------------|-----------------------------|-------------|
| Tax: | Oregon | Washington | California | Idaho | Nevada | Montana | Utah |
| State Gasoline Excise Tax | 1.660¢ | 2.050¢ | 2.473¢ | 1.328¢ | 0.954¢ | 1.369¢ | 1.515¢ |
| Petroleum Clean-up/Load fees | 0.004¢ | 0.150¢ | 0.034¢ | 0.042¢ | 0.033¢ | 0.031¢ | 0.027¢ |
| Gasoline Sales and Local Option Taxes | 0.111¢ | 1.012¢ | 1.645¢ | 0.00¢ | 1.318¢ | 0.00¢ | 0.00¢ |
| Re-Registration and Related Fees | \$84.51 | \$111.18 | \$121.80 | \$59.87 | \$34.00 | \$97.80 | \$84.77 |
| Tax Equivalent (Cents / Mile) | 0.880¢ | 1.158¢ | 1.269¢ | 0.624¢ | 0.354¢ | 1.019¢ | 0.883¢ |
| Weighted Average Ad Valorem Taxes | \$0.00 | \$157.00 | \$146.82 | \$0.00 | \$184.42 | \$65.27 | \$55.94 |
| Tax Equivalent (Cents / Mile) | 0.00¢ | 1.635¢ | 1.529¢ | 0.00¢ | 1.921¢ | 0.680¢ | 0.583¢ |
| Prorated Automobile Sales Taxes | \$20.95 | \$460.01 | \$448.68 | \$319.88 | \$439.11 | \$0.00 | \$377.91 |
| Tax Equivalent (Cents / Mile) | 0.218¢ | 4.792¢ | 4.674¢ | 3.332¢ | 4.574¢ | 0.00¢ | 3.937¢ |
| Prorated Title and Related Fees | \$17.67 | \$31.31 | \$4.50 | \$4.18 | \$6.21 | \$2.15 | \$1.00 |
| Tax Equivalent (Cents / Mile) | 0.184¢ | 0.326¢ | 0.047¢ | 0.044¢ | 0.065¢ | 0.022¢ | 0.010¢ |
| Total Equivalent Cents/Mile | 3.1¢ | 11.1¢ | 11.7¢ | 5.4¢ | 9.2¢ | 3.1¢ | 7.0¢ |

(h) Assumes average annual vehicle miles traveled of 9,600 miles per vehicle and 24.1 average miles per gallon. Source: ODOT DMV records.

(i) Sources and assumptions can be found in Table 1.

| Table 3: Annual Cost (j)(k) | | BORDERING STATES | | | | OTHER WESTERN STATES | |
|---------------------------------------|-----------------|-------------------------|-------------------|-------------------|-----------------|-----------------------------|-----------------|
| | | Oregon | Washington | California | Idaho | Nevada | Montana |
| Tax: | | | | | | | |
| State Gasoline Excise Tax | \$159.34 | \$196.78 | \$237.41 | \$127.47 | \$91.62 | \$131.45 | \$145.39 |
| Petroleum Clean-up/Load fees | \$0.40 | \$14.42 | \$3.28 | \$3.98 | \$3.21 | \$2.99 | \$2.59 |
| Gasoline Sales and Local Option Taxes | \$10.65 | \$97.17 | \$157.93 | \$0.00 | \$126.54 | \$0.00 | \$0.00 |
| Re-Registration and Related Fees | \$84.51 | \$111.18 | \$121.80 | \$59.87 | \$34.00 | \$97.80 | \$84.77 |
| Weighted Average Ad Valorem Taxes | \$0.00 | \$157.00 | \$146.82 | \$0.00 | \$184.42 | \$65.27 | \$55.94 |
| Prorated Automobile Sales Taxes | \$20.95 | \$460.01 | \$448.68 | \$319.88 | \$439.11 | \$0.00 | \$377.91 |
| Prorated Title and Related Fees | \$17.67 | \$31.32 | \$4.50 | \$4.18 | \$6.21 | \$2.15 | \$1.00 |
| Total Equivalent Annual Cost | \$293.51 | \$1,067.88 | \$1,120.43 | \$515.39 | \$885.10 | 299.66 | \$667.60 |

(j) Assumes average annual vehicle miles traveled of 9,600 miles per vehicle and 24.1 average miles per gallon. Source: ODOT DMV records.

(k) Sources and assumptions can be found in Table 1.