

Florida's Transportation Tax Sources

A Primer

2025

**Office of Work Program and Budget
Florida Department of Transportation**



Introduction

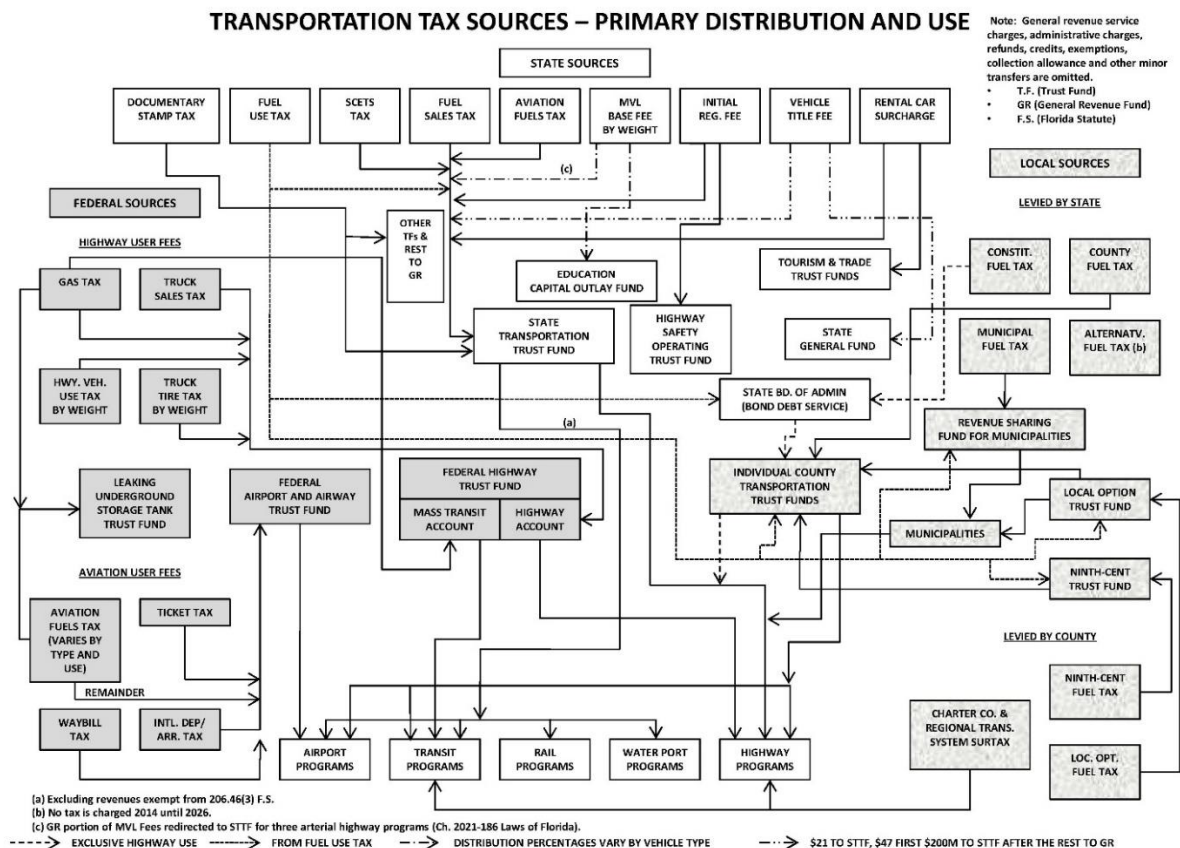
This document discusses taxes and fees in place, primarily at the state level, that fund the development and maintenance of Florida's transportation system. Readers should be aware of the possibility of changes to taxes and fees subsequent to the publication of the document.

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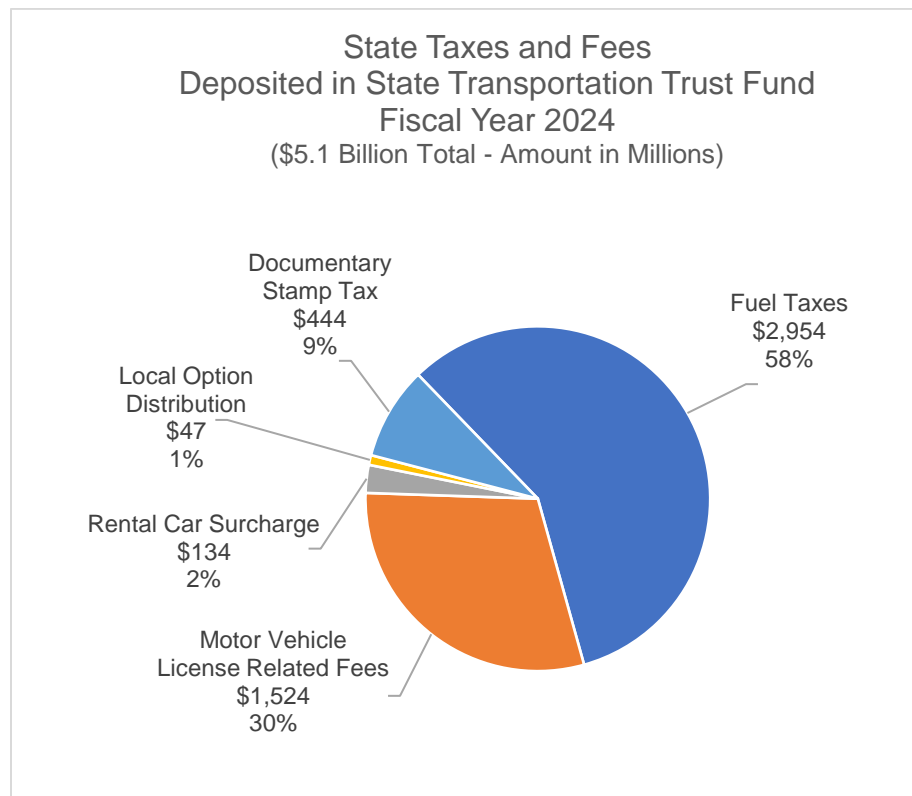
Transportation Funding

Chapter 334, Florida Statutes (F.S.), authorizes the Florida Department of Transportation (FDOT) to assume the responsibility for coordinating the planning of a safe, viable, and balanced state transportation system serving all regions of the state, and to assure the compatibility of all components, including multimodal facilities.

In carrying out its duties, FDOT adopts a 5-year work program which is a list of transportation projects planned for each fiscal year. State taxes and fees, along with federal aid, make up the primary funding sources for the work program. Other funding sources include tolls collected in certain facilities, proceeds from bond issuances, and local taxes and fees.

State Taxes and Fees

Section 206.46, F.S., authorizes the creation of the State Transportation Trust Fund (STTF), which is used by FDOT to account for the administration of the maintenance and development of the state highway system and other transportation related projects. STTF's primary revenue sources from state taxes and fees include fuel taxes and motor vehicle license related fees.



Source: Transportation Revenue Estimating Conference (August 2024), Documentary Stamp Tax receipts (Fiscal Year 2024) from FDOT Comptroller.

Fuel Taxes

Motor fuel and diesel fuel are subject to state taxation pursuant to chapter 206, and section 212.0501, F.S. State taxes include Highway Fuel Sales Tax (indexed annually by the Consumer Price Index), Off-Highway Fuel Sales Tax, State Comprehensive Enhanced Transportation System Tax (indexed annually by the Consumer Price Index), Constitutional Fuel Tax, County Fuel Tax, Municipal Fuel Tax, and Aviation Fuel Tax. Federal and local option taxes are also levied on motor fuel and diesel fuel. Refer to Appendix 2 for current fuel tax rates and uses.

The 2022 Legislature enacted the “Motor Fuel Tax Relief Act of 2022” as part of section 47 of chapter 2022-97 Laws of Florida which reduced the motor fuel sales tax, State Comprehensive Enhanced Transportation System (SCETS) tax, municipal fuel tax, and county fuel tax rates to zero for the month of October 2022. It also appropriated \$200 million from the General Revenue Fund to offset estimated revenue losses to the various trust funds.

The collection of state fuel taxes is administered by the Florida Department of Revenue. While most revenue from the Fuel Sales Tax is distributed to the STTF, set-asides are included for the Marine Resources Conservation Trust Fund, Fish and Wildlife Conservation Commission, and the Agriculture Emergency Eradication Trust Fund.

Highway Fuel Sales Tax

Tax Type	Reference	2025 Rate	Use
State Fuel Sales Tax	206.41(1)(g), 206.87(1)(e), 206.606, 212.0501, 206.9955(2)(e), F.S.	17.5 cents per gallon	At least 15% of certain state revenues deposited into the STTF must be dedicated for public transportation. Remainder for any legitimate state transportation purpose.

Highway fuel taxes constitute the oldest continuous source of dedicated transportation revenues in the state. Initially levied in 1921 at the rate of 1¢/gallon, the tax experienced periodic increases until 1971, when the rate was set at 8¢/gallon. This rate remained constant until 1983, with the proceeds being shared equally between FDOT and local governments. Beginning in 1972, counties were permitted to tack on the state's levy by imposing additional taxes of their own on highway fuels and receiving the associated proceeds.

In April 1983, the state's fuel taxes were substantially restructured. FDOT's share of the existing excise tax was repealed so the remainder became the local government share which continues to be distributed to counties (3¢/gallon) and municipalities (1¢/gallon). In place of the repealed FDOT share of the excise tax, a sales tax was applied to the sales of all motor (gasoline) and diesel fuels, with the proceeds earmarked to FDOT. Initially, the fuel sales tax was applied at the state's general sales tax rate of 5%; however, the way in which this tax was applied to fuel sales differs considerably from the method used for all other eligible sales. Whereas a sales tax is typically applied to the total amount of a purchase during a retail transaction, the fuel tax was applied against a legislated retail price per gallon at the point of wholesale distribution.

In effect, the sales tax was administered for collection and perceived by the public as a continuation of the previous excise tax, although the rate per gallon was higher. The legislated average price of all motor and special fuels was initially set at \$1.148/gallon. At a 5% tax rate, this resulted in a tax of 5.7¢/gallon. Between July 1, 1985 and July 1, 1990, this legislated price was adjusted in proportion to annual changes in the gasoline component of the Consumer Price Index (CPI). Except for one statutory provision, the resulting tax per gallon would have varied accordingly. That provision was enacted by the 1985 Legislature which installed a 'floor' beneath the tax, preventing it from being reduced below its initially calculated level of 5.7¢/gallon, regardless of downward gas price movements. Otherwise, the system operated as an "indexed" fuel tax, with changes to the national average price of gasoline serving as the index.

The 1990 Legislature made several significant changes to the sales tax, effective January 1, 1991. First, it raised the rate of the tax from 5% to 6%, regaining parity with the state's general sales tax rate which had been increased a couple of years earlier. Second, it changed the index to which the legislated price was tied, from the gasoline component of the CPI to the more comprehensive CPI (all items). This was a much less volatile index, one that normally could be forecasted more accurately, better reflecting the FDOT's overall costs. Third, though the legislated base price of \$1.148 was retained, the base period to which future index values were to be compared was moved forward from a 12-month period in FY 1983-84 to FY 1988-89. Finally, tax rate changes became effective each January 1, as opposed to July 1. Consequently, a given tax rate was made effective during an entire calendar year, instead of a fiscal year. Additionally, in order to provide for an immediate inflow of incremental revenue, the minimum tax (floor) was adjusted upward from 5.7¢/gallon to 6.9¢/gallon, effective July 1, 1990. The new figure reflected the result of applying a 6% rate to the legislated price of \$1.148. This procedure remained in place through December 1996.

Beginning January 1, 1997 the method of determining the sales tax was modified. The legislated price of \$1.148 and the sales tax rate of 6% were no longer 'direct factors' in the calculation. Instead, the 'floor tax' of 6.9¢/gallon was then indexed to the CPI (all

items), and the base indexing period remained the same 12-month period as in FY 1988-89. The terminal supplier collected almost all of the tax.

The 2004 Legislature approved a one-time fuel tax holiday of 8¢/gallon for the month of August 2004. It also appropriated \$58 million from the General Revenue Fund to the STTF to offset the estimated revenue loss of fuel receipts during FY 2004-05.

Off-Highway Fuel Sales Tax

Tax Type	Reference	2025 Rate	Use
Non-Highway Fuel Tax	206.41(1)(g), 206.87(1)(e), 206.606, 212.0501, 206.9955(2)(e), F.S.	6% of the retail fuel price	At least 15% of certain state revenues deposited into the STTF must be dedicated for public transportation. Remainder for any legitimate state transportation purpose.

As the name indicates, off-highway, or non-highway, fuel (in this case, diesel exclusively) is consumed in various 'off-the-road' activities. Intrastate railroads, commercial vessels, and construction equipment account for most of the receipts generated by the tax.

Prior to 1983, taxation of such fuel was accomplished under the state's general sales tax laws. By definition, fuel excise taxes on diesel fuel applied then, as now, only to fuel consumed in vehicles subject to registration under the state's motor vehicle licensing laws; in other words, fuel used on the highways. However, when the Legislature enacted the sales tax on fuels in 1983, it omitted the restrictive definitions that prevent a broader application of the excise tax. Consequently, this tax applied to fuel for machinery, equipment, and certain vehicles which were not specifically exempt from the tax.

Through June 1996, the sales tax applied to a gallon of off-highway fuel equivalent to the sales tax applied to a gallon of highway fuel. Beginning July 1, 1996, one gallon of off-highway fuel is taxed at 6% of the fuel's retail sales price. Fuel used by farmers and commercial fishermen, once major components, were granted exemptions from the tax in 1988.

State Comprehensive Enhanced Transportation System (SCETS) Tax

Tax Type	Reference	2025 Rate	Use
SCETS Tax	206.41(1)(f), 206.608, 206.87(1)(d), 206.9955(2)(d), F.S.	9.7 cents per gallon	Net receipts must be spent in the district where generated.

The 1990 Legislature levied an additional excise tax on all highway fuels, effective January 1, 1991. This tax took the place of a statutory provision which permitted the formation of Metropolitan Transportation Authorities (MTAs) within certain urbanized counties. Once formed, these MTAs were to have broad powers, including those of being able to impose additional fuel taxes within their jurisdictions. Mainly because the plans of such authorities and the taxes with which to fund them were subject to approval by referendum, no urbanized area was able to implement the concept. Therefore, the Legislature repealed the authority to form MTAs and, instead, levied a substitute excise tax which was to be near statewide in scope, and the proceeds of which would be deposited into the STTF.

The tax is unique in several respects. First, its proceeds must be spent in the transportation district and, to the extent feasible, in the county from which they are collected. Second, the rate of the tax on gasoline varies by county and was initially set at two-thirds of the total optional fuel tax rate that existed in each county, not to exceed 4¢/gallon. Finally, the SCETS tax on diesel fuel was imposed at a standard rate of 1¢/gallon in every county and increased at the rate of one additional cent per gallon each year, until it reached the maximum SCETS tax on gasoline, regardless of the prevailing rate of optional taxes.

Like the fuel sales tax, the SCETS tax is indexed to the general rate of inflation (CPI, all items). In this case, however, the base year for the value of the index is FY 1989-90. Beginning January 1, 1992, and each year thereafter, the SCETS tax rate for both gasoline and diesel in each county is adjusted proportionately to the change in the CPI during the previous applicable 12-month period, and, as with the sales tax, the revised rates apply for the entire calendar year.

Constitutional, County, and Municipal Fuel Taxes

Constitutional, County, and Municipal Fuel Taxes originate from the previously imposed excise tax of 4¢/gallon and continue to be distributed to local governments. Two cents, or the Constitutional Fuel Tax, was initially levied under s. 16 of Article IX of the State Constitution of 1885, as amended. Its formula for distribution to the counties is contained in s. 9(c)(4) of Article XII of the revised State Constitution of 1968. The first use of the proceeds is to meet the debt service requirements, if any, on local bond issues backed by the tax proceeds. The balance, called the 20 percent surplus and the 80 percent surplus, is credited to the counties' transportation trust funds. The third cent is the County Fuel Tax. It is levied under s. 206.41, F.S., and distributed by the same formula as the Constitutional Fuel Tax. The fourth cent is termed the Municipal Fuel Tax and is levied under s. 206.41, F.S. Revenues from this tax are transferred into the Revenue Sharing Trust Fund for Municipalities, combined with other non-transportation revenues, and distributed in accordance with criteria contained in chapter 218, F.S.

Aviation Fuel Tax

When the state first levied its 1¢/gallon excise tax on fuels in 1921, the tax applied to all motor fuels, including those used in aircraft engines. At that time, aviation was in its infancy and accounted for only a minor portion of total fuel consumption. However, by 1935, the fuel tax rate had reached 7¢/gallon, and aviation activities were increasing substantially. To help promote the development of the industry, the Legislature exempted all aviation fuels from the excise tax.

Aircraft fuels remained totally exempt from state taxation until 1963, when the Legislature decided to apply the full sales tax on fuels used in general aviation and intrastate carrier operations and a "prorated" tax on fuels consumed in interstate and foreign commerce.

Proration was a system whereby a carrier purchasing fuel in Florida paid only a portion of the total sales tax for which it normally would be liable. The share any carrier (airline company) paid was in direct relation to the proportion that its miles traveled within Florida's airspace bore to its total, worldwide fleet mileage. On average, proration resulted in the state realizing only about 6% of the fuel tax revenues that would have been collected from interstate and foreign carriers had they been subject to full taxation on their fuel purchases.

In April 1983, the Legislature restructured the state's aviation fuel taxes. First, it permitted aviation fuels to remain exempt from the state's fuel excise taxes and any additional taxes that local governments were authorized to impose. Second, the practice of prorating the fuel taxes owed by interstate and foreign air carriers was terminated, and all aviation fuels were subject to the same sales tax that was levied on

highway fuels. Finally, collections of aviation fuel taxes were earmarked for use by the FDOT.

Subsequent to the enactment of the new aviation fuel tax, many major airline companies filed a lawsuit challenging the legality of the tax. While the lawsuits were in progress, the litigants were permitted to place their related tax payments into escrow. Although the state judiciary upheld the constitutionality of the tax, its decisions were appealed to the U.S. Supreme Court. In the meantime, in order to break the revenue stalemate, the 1985 Legislature modified the aviation fuel tax structure. Instead of the tax being calculated as a percentage of an artificial retail price, it was set at a constant 5.7¢/gallon and re-established as an excise tax. In addition, the proceeds of the tax were directed to the state's General Revenue Fund, instead of STTF.

Soon after the 1985 Legislature adjourned, the U.S. Supreme Court refused to hear the appeals filed by the domestic airlines. This refusal effectively exhausted the legal recourse available to these carriers and subjected them to the decision of the Florida court. Since then, all have remitted their previously escrowed taxes, with interest, to the state. Except for the General Revenue service charge, these payments were distributed to the FDOT. The U.S. Supreme Court did accept jurisdiction in the cases brought by the foreign airlines, but in June 1986 rejected their appeals. Hence, these carriers also became obligated to pay their back-taxes.

The 1986 Legislature redirected the proceeds of the aviation fuel tax to the STTF after deductions for administrative costs and the General Revenue service charge. The tax remained at 5.7¢/gallon purchased in the state, although airlines with Florida-based employees became eligible for refunds of fuel taxes paid in an amount equivalent to a percentage of the employees' in-state wages.

In 1990, the Legislature raised the aviation fuel tax rate to 6.9¢/gallon. The rate would remain until changed by legislative action.

In 1996, the Legislature granted an exemption from payment of the aviation fuel tax, in the form of a refund, to any air carrier offering transcontinental jet service which, after January 1, 1996, increases its Florida workforce by more than 1000 percent and by 250 or more full-time equivalent employee positions. This aviation fuel tax refund was originally intended as a short-term incentive to attract new airline carriers to the state. Following the tragic events of September 11, 2001, the Legislature extended this refund policy with no expiration date.

In 2016, the Legislature passed legislation that would remove aviation refunds available to certain airlines and lower the aviation fuel tax rate to 4.27¢ beginning in FY 2019-20.

Local Fuel Taxes

The population growth experienced during the decades of the sixties and seventies, coupled with high rates of inflation, placed capital demands on local governments which far exceeded their existing revenue-raising ability. Initially, much of this demand was focused on the need to improve and expand the transportation system for which counties and cities were responsible. Hence, in 1972, a precedent was established when the Legislature authorized counties to tack on a limited impost of their own in addition to the state's excise tax on highway fuel.

Ninth-Cent Fuel Tax

Originally labeled the Ninth-Cent tax when the state's fuel excise taxes totaled 8 cents, this tax was first authorized in 1972 by section 336.021, F.S. It was renamed the Voted Gas Tax in 1983 when the state's fuel taxes increased to 9.7¢/gallon. The tax is limited to 1¢/gallon on highway fuels, has no time limit and, until 1992, had to be approved by the electorate in a countywide referendum. The 1992 Legislature authorized "small" counties (those with a population of 50,000 or less on April 1, 1992) to impose the tax by an extraordinary (majority plus one) vote of their governing bodies. Since a referendum no longer was necessary in every case the tax was, rather inappropriately, re-designated its original name.

In 1993, the Legislature removed the referendum requirement entirely so that any county, regardless of size, could now impose the tax by extraordinary vote of its Board of Commissioners. The tax assumed its current name in 1996. The proceeds of the tax may be shared with cities in whatever proportion agreed upon.

Beginning January 1, 1994, the Ninth-Cent tax on diesel fuel was no longer optional. The 1990 Legislature decided to equalize all optional taxes on diesel fuel so that interstate truckers, who pay fuel taxes based on miles driven in the state, would be subject to standardized tax rates. Currently, 55 of 67 counties in Florida have implemented the Ninth-Cent Fuel Tax.

Local Option Fuel Tax (1 to 6 Cents and 1 to 5 Cents)

The 1983 Legislature provided local governments with a new source of revenue. Originally called the Local Option Gas Tax and renamed the Local Option Fuel Tax in 1996, it is described in section 336.025, F.S. Initially, it was established as a tax of 1¢ to 4¢ on each gallon of highway fuel, which could be levied at the option of a county's governing body for a maximum period of five years, and whose proceeds were required to be shared with municipalities. It was to be collected at the wholesale level along with the fuel excise taxes and the fuel sales tax. While the tax retains some of its original characteristics, it has also undergone significant change since it was first authorized.

The tax was initially imposed during an early special session of the Legislature. That same year, when the Legislature returned for its regular session, it extended the maximum duration of the tax to ten years in order to make it at least minimally suitable as a security against which to issue debt. Then in 1985, counties were authorized to raise the maximum rate of the tax to 6¢ per gallon and its duration to 30 years. At the same time, collection of the tax was moved to the retail level in order to positively identify the location and the tax rate at which each gallon of fuel was sold. To make tax administration more efficient for both the state and the fuel industry, the tax collection point was shifted to the wholesaler (for gasoline and gasohol) and the terminal supplier (for diesel fuel), beginning in July 1996.

The 1990 Legislature chose to equalize the Local Option Fuel Tax on diesel fuel. Beginning January 1, 1991, the minimum tax rate on diesel fuel was set at 4¢/gallon. Then, on January 1 of each of the following two years, the minimum rate rose by one cent until it reached 6¢/gallon on January 1, 1993.

At first, proceeds of the tax could only be used for transportation purposes. However, in a major departure from the user-fee concept, the 1992 Legislature authorized any 'small county' (with 50,000 or fewer people as of April 1, 1992) to use the proceeds for other capital infrastructure needs, if the transportation element of its comprehensive plan had been fully satisfied. This exception applies only to the six cents of tax authorized prior to 1993.

The most significant change occurred in the 1993 legislative session, when counties were accorded the option of imposing still another 1¢ to 5¢ on each gallon of motor fuel (gasoline and gasohol, but not diesel). With this latest authorization, counties were able to levy a tax of up to 11¢ on each gallon of gasoline, while the rate for diesel remained standard in every county at 6¢ per gallon. The first six cents of the tax on motor fuel may be imposed by a majority vote of the Board of County Commissioners or a county-wide referendum initiated by either the county commission or municipalities representing more than 50% of the county's population. To impose the remaining five cents, however, an extraordinary vote of the county commission or a county-wide referendum initiated by the commission is required.

The proceeds of the tax must still be shared with municipalities, either in accordance with a mutually agreed upon distribution scheme (which is subject to periodic review) or, if agreement cannot be reached, by using a backup formula contained in the statute. A local government may pledge any of its revenues from the tax to repay state bonds issued on its behalf and, in addition, may use such revenues to match state funds in the ratio 50%/50% for projects on the State Highway System, or for other road projects which would alleviate congestion on the State Highway System.

Currently, all counties in Florida have implemented the full 6 cents of the 1 to 6 Cents Local Option Fuel Tax, and 38 counties have implemented some or all of the 1 to 5 Cents Local Option Fuel Tax.

Federal Fuel Taxes

The first federal gasoline tax in the U.S. was created with the enactment of the Revenue Act of 1932 with a tax of 1¢/gallon. Since 1993, the U.S. federal gasoline tax has been 18.4¢/gallon. The current tax rate for diesel fuel is 24.4¢/gallon. At the federal level, the majority of the taxes are collected when product is removed from the bulk storage terminals. The companies pay the tax to the Internal Revenue Service.

The revenue from the collected federal fuel taxes are deposited into the Federal Highway Trust Fund, which has several accounts. Generally, the Leaking Underground Storage Tank Trust Fund receives 0.1 ¢/gallon of the fuel tax, the Mass Transit Account of the Highway Trust Fund receives 2.86 ¢/gallon and the Highway Account of the Highway Trust Fund receives the remainder.

Fuel taxes are only one of several sources of federal highway user charges that are deposited into the Federal Highway Trust Fund. Funds are distributed to the states from the Federal Highway Trust Fund through a system of formula grants and discretionary allocations by the Federal Highway Administration.

Alternative Fuel Fees

Alternative fuels are non-conventional fuels such as propane, butane, and other liquefied petroleum gases (LPG) or compressed natural gases (CNG). Use of such fuels represents only a very small part of the state's total fuel consumption. Total statewide receipts from the fees on alternative fuels historically amounted to less than \$1 million annually. Prior to January 2014, owners of vehicles titled in Florida paid their fuel taxes through the purchase of an annual decal, the price of which varied according to the type of vehicle involved and the total amount of state and local diesel fuel taxes in effect in the county of residence. Out-of-state vehicles incurred their tax at the pump at the equivalent of the SCETS, Constitutional, County, Municipal, Ninth-cent, and Local Option taxes on diesel fuel. Collections were distributed to the regular recipients of and in proportion to the taxes upon which the Alternative Fuel Fees were based. In order to encourage the use of alternative fuels, the 2013 Florida Legislature passed legislation to exempt these fuels from taxation beginning January 1, 2014 and ending January 1, 2024. The 2023 Florida Legislature passed legislation that further extended the exemption date for these fuels from January 1, 2024 to January 1, 2026.

Fuel Use Tax

Imposed by the Florida Special Fuel and Motor Fuel Use Tax Act of 1981, this tax is designed to ensure that heavy vehicles which engage in interstate operations incur taxes based upon fuel consumed, rather than purchased, in the state. Prior to the law's passage, operators of such vehicles were able to buy fuel (often at lower prices) in a neighboring state, use the fuel on Florida's roads, and, if the state in which the fuel was bought had a similar tax, receive a refund for taxes paid but not incurred. Thus, Florida's roads received uncompensated damage, vehicles consumed untaxed fuel, and the state's retail fuel outlets, particularly those in the northern tier, were deprived of sales that otherwise might have occurred.

Every state in the nation now imposes such a tax via the International Fuel Tax Agreement. In Florida, it applies, with few exceptions, to each privately-owned vehicle with at least three axles or a gross weight of more than 26,000 pounds that engages in interstate operations, whether or not titled in this state. The tax is comprised of an annual decal fee of \$4.00 plus a use tax based upon the number of gallons of fuel consumed multiplied by the prevailing statewide fuel tax rate. The decal serves as an identifying device to validate that a vehicle is registered to use the state's roads and to ensure receipt of applicable tax returns. If, during a reporting period, a vehicle consumes more fuel than was purchased, additional taxes are due. Otherwise, a credit or refund is issued. Distributions of tax receipts are made to the recipients of and in proportion to the taxes that are used to calculate the total Fuel Use Tax rate.

Motor Vehicle License Related Fees

Funding transportation from vehicle-related revenues started very early in Florida's transportation history. Almost from their inception, motor vehicle license fees were designated as a highway user charge levied to partially defray the costs of constructing and maintaining the roads which benefited those who paid the fees. This philosophy remains a part of the current vehicle registration statutes.

Recognizing the tremendous burden that a rapidly growing vehicle fleet was placing on the state's highway system, the Legislature in 1990 included new vehicle fees in the major transportation funding package enacted that year. Those fees included the initial registration ("New Wheels on the Road") fee and the motor vehicle title fee.

With the exception of the rental car surcharge, the Department of Highway Safety and Motor Vehicles administers the collection of motor vehicle license related fees, governed by chapters 319 and 320, F.S. Fees collected are distributed pursuant to statutory requirements to the General Revenue Fund, Highway Safety Operating Trust Fund, STTF, Transportation Disadvantaged Trust Fund, Department of Education Trust Fund, and other funds.

Motor Vehicle License Fees

Although these fees provided the very first funding source for FDOT's activities (1915), their use for transportation was terminated in 1931. Not until 1977, when the Legislature directed that 36.5% of the gross proceeds from the tax be deposited into the STTF, was the original intent of the fees at least partially reinstated.

In 1981, an additional part of the proceeds was earmarked to transportation when the Legislature discontinued using any of the fees as a general fund source, and, instead, dedicated the previous general revenue share to completing the state's Interstate Highway System. That change resulted in a three-way distribution which allocated the constitutional first proceeds to educational needs, the second proceeds to general transportation needs, and the remainder to the Interstate System exclusively.

In May 1983, both the fee structure and the system of distribution underwent substantial change. Annual fees on autos and small trucks were increased modestly depending on weight class, while fees for the three heaviest categories of truck-tractors were raised more substantially. The distribution scheme was altered so that the annual Interstate share of revenues was reduced to a constant \$25 million, with the residual (excluding education's first proceeds) earmarked to general transportation needs.

In 1985, the Legislature decided that a separate state source of Interstate funding was no longer required, and so it abolished the dedicated fund into which part of the license

fees had been deposited during the previous four years. After the educational requirement was satisfied, the entire residual proceeds were deposited into the STTF.

Motor vehicle license fees also played a part in the major revenue package that was enacted in 1990. Although none of the annual registration fees which applied to the various categories of vehicles were raised, two changes were made which provided significant additional income. The first eliminated the ability of the owners of most vehicle types to purchase tags for a period of less than a whole year (fractional tags). The second, having a similar effect, eliminated the ability to obtain a refund for a license tag not yet expired. The combination of these actions results in each tag sold producing its full, annual statutory fee.

There have been no increases in the transportation portion of base motor vehicle registration fees since 1983. With Florida's economy struggling, the 2009 Legislature made rate changes to various motor vehicle fees with the additional proceeds being distributed to the General Revenue Fund. The 2014 Legislature decreased the base registration fees back to what they were before 2009 for private automobiles, light trucks, antique cars, and motorcycles. This had the effect of eliminating the portion deposited into the General Revenue Fund. Base registration fees for heavy trucks, for-hire vehicles, and other miscellaneous autos such as buses and trailers were not changed by the 2014 Legislature.

Effective July 1, 2021, chapter 2021-186 LOF repealed the Multi-use Corridors of Regional Economic Significance Program (MCORES). MCORES increased motor vehicle license fees revenue to the STTF by redirecting the General Revenue piece to the STTF. Chapter 2021-186 Laws of Florida requires that the STTF use this revenue increase to fund three arterial highway programs.

Motor Vehicle License Surcharge

Effective July 1991, as a partial offset to an early payback of a previous FDOT loan from the state's General Revenue Fund, the Legislature imposed a \$2 surcharge on the annual registration fee of every vehicle except mobile homes. All proceeds from this surcharge were deposited into the STTF. The 2009 Legislature increased the \$2 surcharge to \$4, with the increased \$2 being distributed to the General Revenue Fund. In 2011, the Legislature moved the Office of Commercial Vehicle Enforcement (formerly a portion of the Office of Motor Carrier Compliance) from the Department of Transportation to the Department of Highway Safety and Motor Vehicles. In lieu of an annual transfer of funds between the departments of Transportation and Highway Safety to fund the operating costs of the program, \$1 of the \$4 surcharge was redirected from the STTF to the Highway Safety and Operating Trust Fund in 2013. The very next year, the 2014 Legislature altered the amount and distribution of this surcharge again. First, the \$2 General Revenue portion was eliminated, in order to bring the fee back to what it was before the 2009 registration fee increase. In addition,

the \$1 Highway Safety Operating Trust Fund portion was reduced by 80 cents to offset the equivalent increase in 2009 of the advanced plate replacement fee. The License Tax Surcharge is now \$1.20, with \$1 deposited into the STTF and 20 cents deposited into the Highway Safety Operating Trust Fund.

Initial Registration Fee

This is one of three vehicle taxes which the 1990 Legislature increased and from which it directed a share of proceeds to finance transportation improvements. This one-time fee was originally levied in October 1989 in the amount of \$30, with the entire yield dedicated to funding law enforcement activities. Known originally as the 'New Wheels on the Road' Fee, it is designed primarily to affect only those vehicle owners whose actions result in net additions to the state's registered vehicle stock. This is accomplished by exempting several kinds of registration transactions and by allowing refunds of the fee, if another eligible vehicle is disposed of within 90 days. The fee applies only to automobiles, light trucks, and certain recreational vehicles.

In 1990, the Legislature increased the fee to \$100, directing the additional \$70 (less a General Revenue service charge) to the STTF. The other \$30 continued to be deposited into the Law Enforcement Trust Fund. In 1991, two changes were made. First, the \$30 portion of the fee was redirected to the state's General Revenue Fund in lieu of the Law Enforcement Trust Fund. Second, as an additional offset to the early loan repayment cited earlier, the entire proceeds of the \$100 fee (less the General Revenue service charge) were deposited into the STTF for a two-year period between July 1, 1992 and June 30, 1994. Beginning July 1, 2001, the General Revenue service charge portion (7%) was redirected to the STTF. Beginning July 1, 2005, the entire \$100 fee was distributed to the STTF. The 2009 Legislature increased the Initial Registration Fee to \$225, with the increased \$125 being distributed into the General Revenue Fund and \$100 continuing to be distributed into the STTF. The distribution schedule was again changed by the 2014 Legislature, reducing the General Revenue portion to \$93 and directing \$32 to the Highway Safety Operating Trust Fund. The STTF amount remained \$100. That would change in 2015 when the Legislature redirected the General Revenue portion of Initial Registration Fees to the STTF as a partial offset to the reduction of the STTF portion of documentary stamp taxes due to implementation of the Water and Land Conservation Amendment. The STTF portion of the \$225 Initial Registration Fee is now 85.7%, or \$193.

Motor Vehicle Title Fee

The practice of issuing titles, or certificates of ownership, for each vehicle registered in the state began in 1923. In 1941, the basic charge for this service was set at 50 cents. The fee was increased to \$1 in 1947, and then to \$3 in 1967. It remained at that level through 1990. Throughout its history, all collections from the imposition of these fees

had been deposited into the state's General Revenue Fund until 1989, when \$1 of the fee was directed to the Odometer Fraud Prevention and Detection Trust Fund.

In conjunction with its other major transportation funding initiatives, the 1990 Legislature raised the basic fee for original and duplicate certificates of title to \$24, effective January 1, 1991. Of this amount, \$21 was distributed to the STTF. The remaining \$3 was distributed to the General Revenue Fund. The \$21 incremental increase did not apply to salvage or for-hire vehicles. The General Revenue service charge of 7% for Motor Vehicle Title Fees was eliminated July 1, 2000.

The 2009 Legislature increased Motor Vehicle Title Fees to \$70, distributing \$49 to the General Revenue Fund and continuing to distribute \$21 to the STTF. All title fees revenue from for-hire vehicles is deposited into the General Revenue Fund. The 2012 Legislature directed that the first \$200 million collected from \$47 of the \$49 General Revenue Fund portion of the \$70 title fee be deposited into the STTF, beginning FY 2012-13; however, this amount was then transferred to the General Revenue Fund for FY 2012-13 only.

Documentary Stamp Tax

Documentary stamp tax is levied on documents, as provided under chapter 201, F.S. Documents subject to the tax include, but are not limited to: deeds, stocks and bonds, notes and written obligations to pay money, mortgages, liens, and other evidences of indebtedness.

Documentary stamp tax comprises two taxes imposed on different bases at different tax rates. The tax on deeds and other documents related to real property is at the rate of 70 cents per \$100. Certificates of indebtedness, promissory notes, wage assignments and retail charge account agreements are taxed at 35 cents per \$100. The Department of Revenue administers the collection of documentary stamp tax. Revenue from documentary stamp tax is divided between the General Revenue Fund and various trust funds.

The 2005 Legislature passed a growth management bill to address needed infrastructure in Florida. The growth management package provided \$541.75 million annually from documentary stamp tax revenue to fund transportation needs. The 2008 Legislature changed the distribution of documentary stamp tax collections so that the STTF received 38.2% of collections after other distributions are made, not to exceed \$541.75 million per year. Additionally, the 2011 Legislature directed the following amounts to be transferred to the State Economic Enhancement and Development (SEED) Trust Fund from the STTF portion of documentary stamp tax revenues: \$50 million in FY 2012-13, \$65 million in FY 2013-14, and \$75 million every fiscal year thereafter.

In 2014, Florida voters approved a constitutional amendment to provide a dedicated funding source for water and land conservation and restoration. The amendment required that starting on July 1, 2015 and continuing for 20 years thereafter, 33 percent of net revenues derived from the excise tax on documents must be deposited into the Land Acquisition Trust Fund to be used for water and land conservation. Legislation implementing the Water and Land Conservation Amendment passed the 2015 Special Session A of the Florida Legislature, lowered the percentage of documentary stamp tax revenue available to STTF from 38.2% to 24.18442%. To partially offset the lost transportation funding, this reduction was accompanied by a redirect of Initial Registration Fees from the General Revenue Fund to the STTF. After the required distribution to the Land Acquisition Trust Fund, the lesser of 24.18442% of the remainder or \$541.75 million in each fiscal year is paid into the State Treasury to the credit of the STTF.

Legislation (chapter 2021-39 Laws of Florida) passed during the 2021 Session reduced the percentage of documentary stamp tax revenue available to STTF from 24.18442% to 20.5453% with a cap of \$466.75 million down from \$541.75 million. The legislation also moved the \$75 million transfer to the General Revenue Fund from the STTF.

Section 201.15, F.S., specifies the amounts to be used in certain programs such as the New Starts Transit Program, authorized by Title 49, U.S.C. section 5309 and specified in section 341, F.S.; Small County Outreach Program specified in section 339.2818, F.S.; Strategic Intermodal System specified in sections 339.61, 339.62, 339.63, and 339.64, F.S.; and the Transportation Regional Incentive Program specified in section 339.2819, F.S.

Rental Car Surcharge

Rental car surcharge is imposed at the rate of \$2 per day, for the first 30 days of the lease or rental of for-hire vehicles designed to carry fewer than nine passengers. Members of a car-sharing service pay \$1 per usage under 24 hours and \$2 per day after the first 24 hour period.

The Department of Revenue administers the collection of rental car surcharge. Revenue from the rental car surcharge is distributed to the STTF (80%), the Tourism Promotional Trust Fund (15.75%), and the Florida International Trade and Promotion Trust Fund (4.25%).

This fee was originally imposed in October 1989 and assessed by the 1990 Legislature in its efforts to enhance transportation funding. The distribution scheme has changed through time. Currently, the tax distribution to the STTF must be spent in the transportation district from which the surcharges were collected.

Other Transportation Tax Source – Charter County and Regional Transportation System Surtax

Each charter county that has adopted a charter, each county the government of which is consolidated with that of one or more municipalities, and each county that is within or under an interlocal agreement with a regional transportation or transit authority created under chapters 343 or 349, F.S., may levy the Charter County and Regional Transportation System Surtax at a rate of up to 1 percent. The levy is subject to approval by a majority vote of the county's electorate or by a charter amendment approved by a majority vote of the county's electorate. Duval, Broward, and Miami-Dade counties have levied this surtax. The Department of Revenue distributes the surtax proceeds to the county government for deposit into the county trust fund or remittance by the county's governing body to an expressway, transit, or transportation authority created by law. Generally, the surtax proceeds may be expended by the county government or authority for the planning, development, construction, operation, and maintenance of roads and bridges, bus and fixed guideway systems, on-demand transportation services, and for the payment of principal and interest on bonds issued for construction.

Appendix 1

Tax Law References

Level	Tax Type	Reference
Federal	Federal Highway Fuel Taxes, Federal Excise and Heavy Truck Use Taxes, Federal Aviation Taxes	Title 26, United States Code
State – For State Use	Fuel Sales Tax	206.41(1)(g), 206.87(1)(e), 206.606, 212.0501, 206.9955(2)(e), F.S.
	SCETS Tax	206.41(1)(f), 206.608, 206.87(1)(d), 206.9955(2)(d), F.S.
	Aviation Fuel Tax	206.9825, 206.9845, 206.9855, F.S.
	Fuel Use Tax and Fee	207.003, 207.004, F.S.
	Motor Vehicle License Fee	Const. Art. XII, Sec. 9(d)(3) ; 320.08, 320.20, F.S.
	Initial Registration Fee	320.072, F.S.
	Title Fee	319.32, F.S.
	Rental Car Surcharge	212.0606, F.S.
	Documentary Stamp Tax	201.15, F.S.
	Alternative Fuel	206.9955, F.S.
State – For Local Use	Fuel Excise Taxes ; Constitutional, County and Municipal Fuel Taxes ; Fuel Use Tax	206.41(1)(a), (b), (c) ; 206.87(1)(a), 207.003, 206.9955(2)(a), F.S.
Local	Ninth-Cent Fuel Tax	206.41(1)(d), 206.87(1)(b), 336.021, 206.9955(2)(b), F.S.
	Local Option Fuel Tax	206.41(1)(e), 206.87(1)(c), 336.025, 206.9955(2)(c), F.S.

Appendix 2

2025 Fuel Tax Rates and Uses

Level	Tax Type	Fuel Type	Rate	Use
Federal	Fuel Excise Tax	Motor Fuel	18.4¢/gal	2.86¢ for mass transit. 0.1¢ for leaking tanks. Remainder for roads and bridges.
		Diesel Fuel	24.4¢/gal	
State (Distributed to FDOT)	Fuel Sales Tax	Motor Fuel and Diesel Fuel	17.5¢/gal	At least 15% of FDOT receipts dedicated for public transportation. Remainder for any legitimate state transportation purpose.
	SCETS Tax	Motor Fuel and Diesel Fuel	9.7¢/gal	Net receipt must be spent in the district where generated.
	State Tax	Aviation Fuel	4.27¢/gal	FDOT receipts dedicated for aviation related projects.
	Natural Gas Fuel Tax	Alternative Fuel	N/A	Exempt until January 1, 2026.
State (Distributed to Local Governments)	Constitutional Fuel Tax	Motor Fuel and Diesel Fuel	2¢/gal	Acquisition, construction and maintenance of roads.
	County Fuel Tax	Motor Fuel and Diesel Fuel	1¢/gal	Any legitimate county transportation purpose.
	Municipal Fuel Tax	Motor Fuel and Diesel Fuel	1¢/gal	Any legitimate municipal transportation purpose.
Local	Ninth-Cent Fuel Tax	Motor Fuel	0¢ - 1¢/gal	Any legitimate county or municipal transportation purpose.
		Diesel Fuel	1¢/gal	
	Local Option Fuel Tax (Includes 1-6¢ Fuel Tax and 1-5¢ Fuel Tax)	Motor Fuel	6¢ - 11¢/gal	Local transportation ; small counties may also use funds for other infrastructure needs.
		Diesel Fuel	6¢/gal	

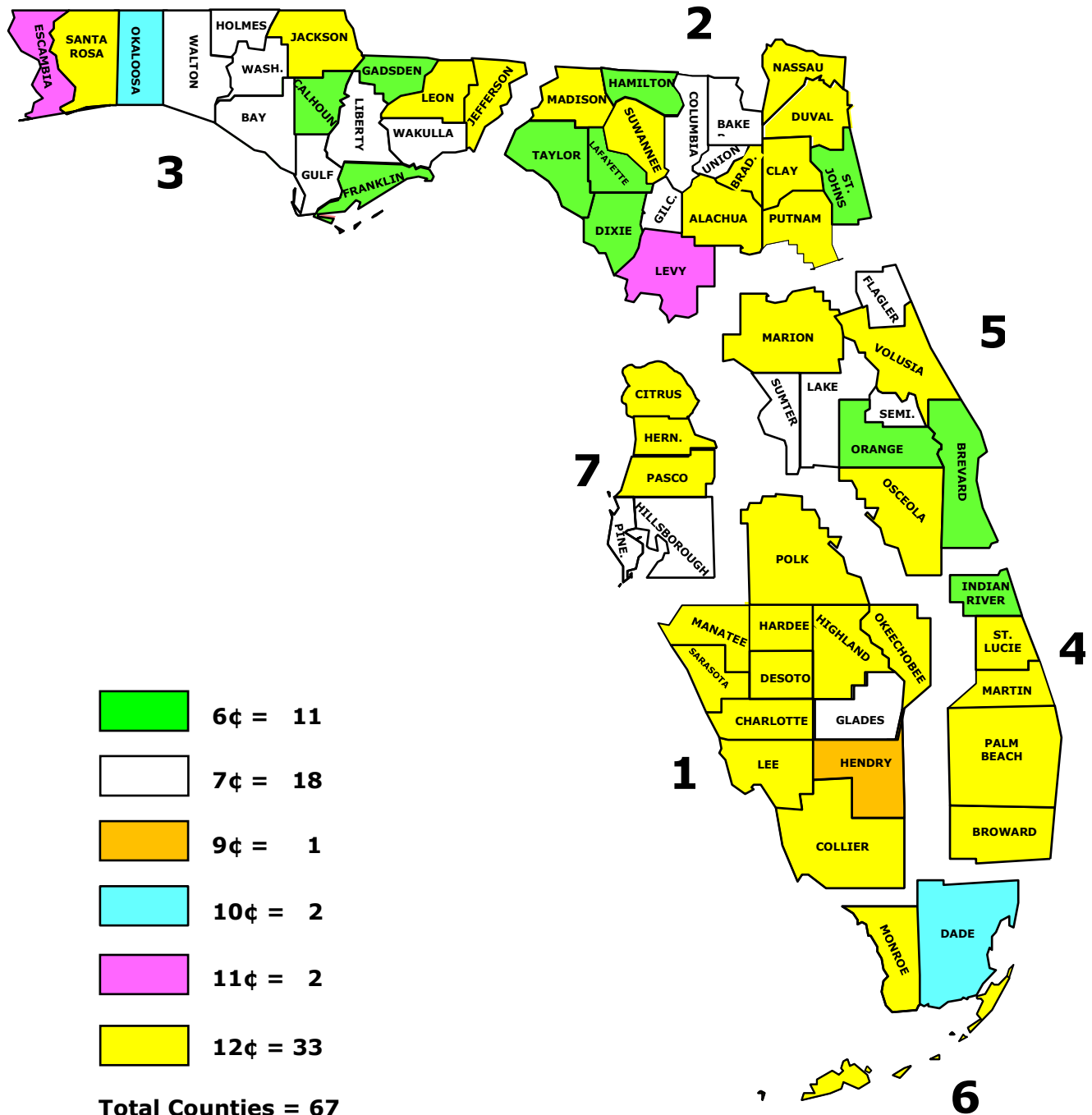
Note:

1. Motor Fuel includes gasoline, gasohol, and fuel grade ethanol.
2. Off-Highway (or Non-Highway) fuels are taxed at 6% of the retail fuel price.

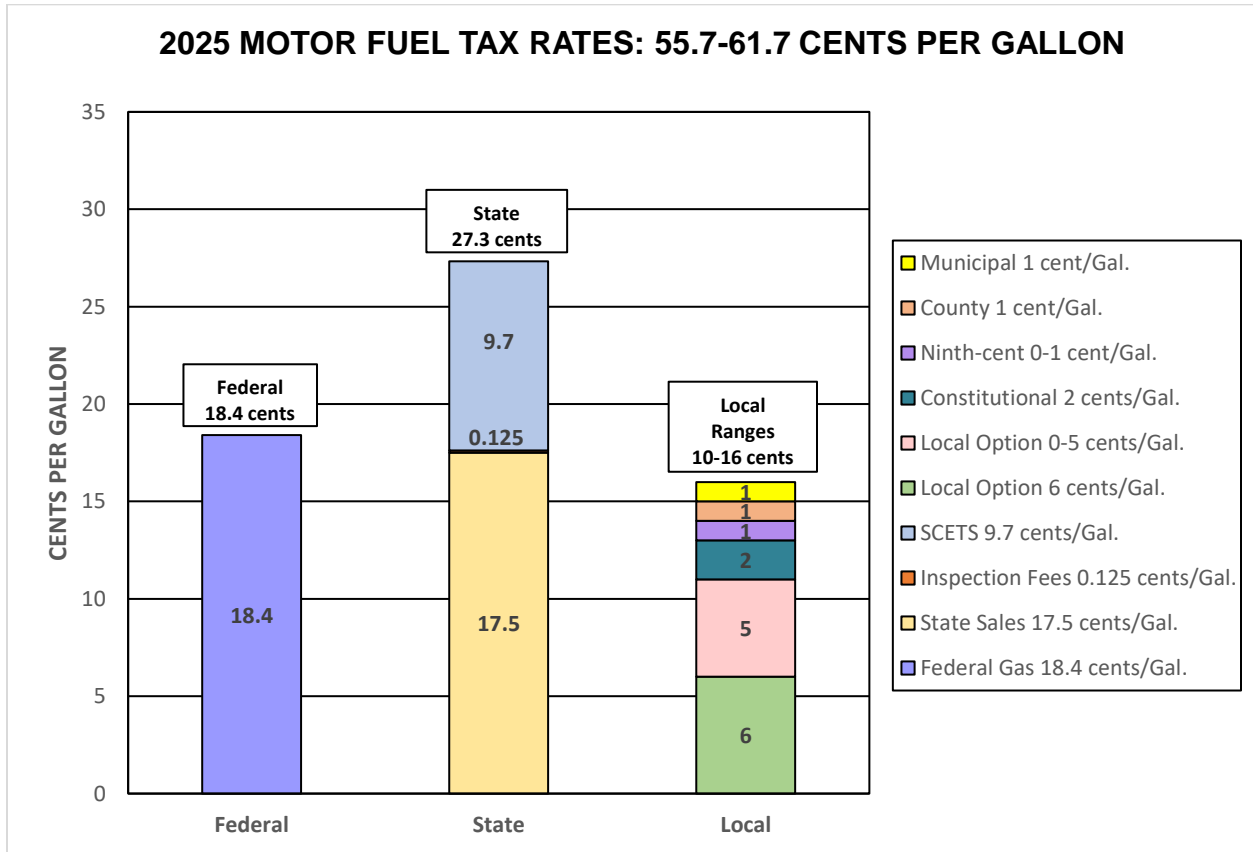
Appendix 3

Locally Imposed Motor Fuel Taxes

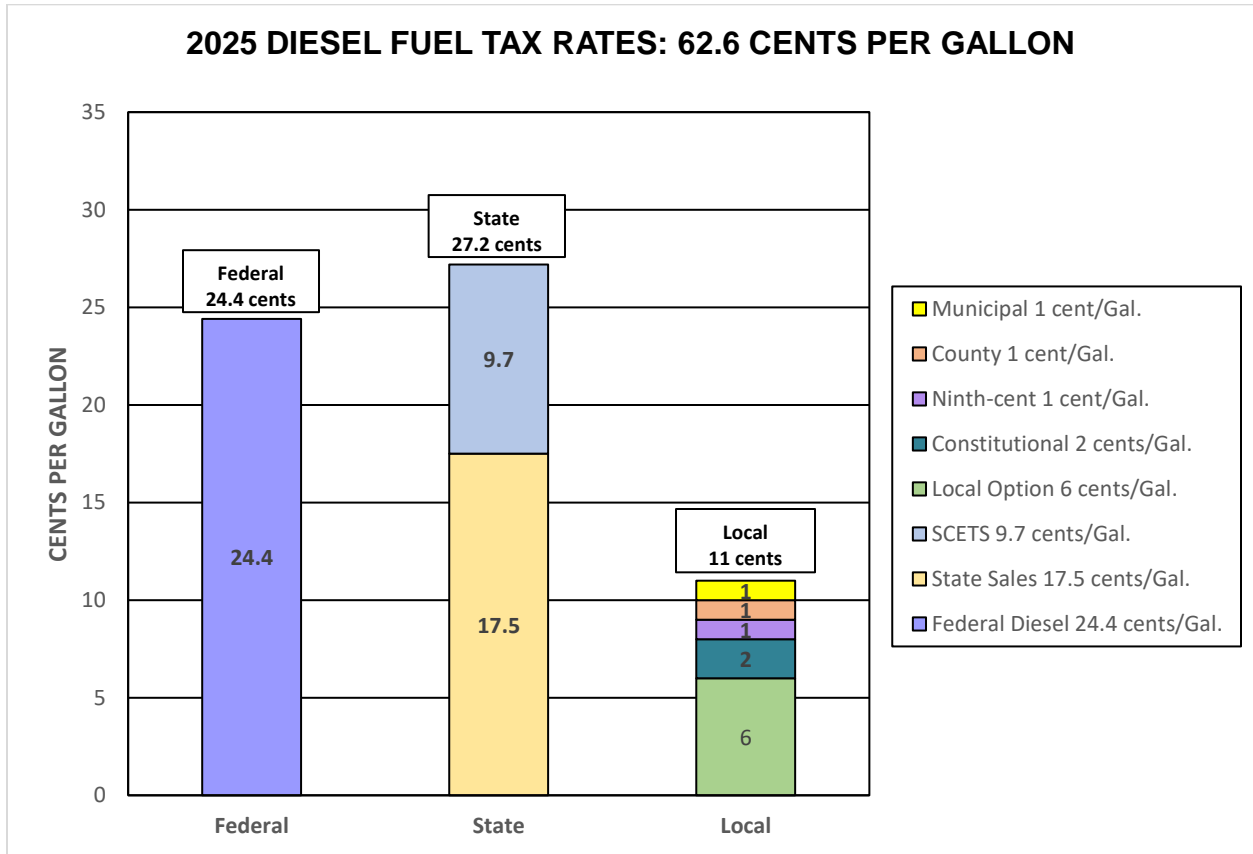
Tax Rates (¢/gal) as of January 1, 2025



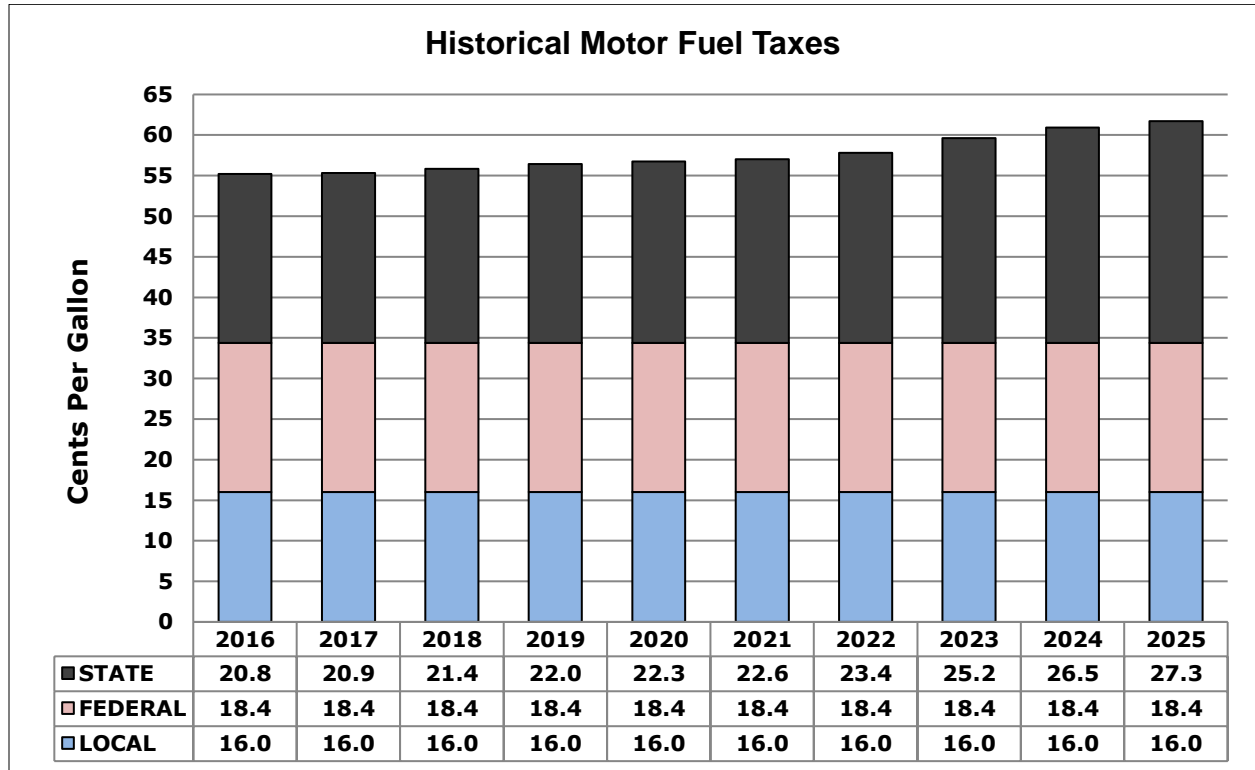
Appendix 4



Appendix 4 (continued)



Appendix 5



Appendix 6

Frequently Asked Questions (FAQ)

1. Is the motor fuel tax rate impacted by changing fuel prices?

With the exception of the off-highway sales tax on dyed diesel, the motor fuel tax rate is charged on a per gallon basis. Therefore, the motor fuel tax rate is not impacted by the price of fuel but rather the number of gallons purchased.

2. Is the motor fuel tax rate adjusted for changes to inflation?

The state portion of the motor fuel tax rate is adjusted (indexed) to the general rate of inflation using the Consumer Price Index (CPI) every January.

3. How much additional fuel sales tax revenue does the department receive because the fuel sales tax is indexed?

Beginning January 1, 1997, the 'floor tax' of 6.9¢/gallon was indexed to the CPI. In FY 23-24, the department received about \$1.123 billion additional revenue when compared to what collections would have been without fuel tax indexing.

4. Can I find out how much fuel tax revenue was generated in my area (county or municipality)?

To reduce administrative burden, the motor fuel tax is collected at the wholesaler/distributor level rather than the direct consumer. Thus, actual revenue by county is not available because data is reported at the statewide level. The Florida Department of Revenue generates motor fuel gallons used in each county in the Certified Fuel Gallons Report located in the Single Revenue Source Reports dropdown list at:

<https://floridarevenue.com/DataPortal/Pages/TaxResearch.aspx>

5. How much fuel tax does the typical Florida driver pay each year?

The typical Florida driver annually pays \$310 in motor fuel tax (\$96 in Federal fuel tax, \$141 in State fuel tax, and \$73 in Local fuel tax) for transportation related projects. These amounts equate to approximately 2.4 cents per mile.

6. How much transportation revenue is used for non-transportation purposes?

During the next ten years, the transfer from transportation revenues to non-transportation purposes averages to about \$249 million annually. These uses include transfers to other programs such as education, the environment, and economic development.