

What is a gross receipts tax?

A Gross Receipt Tax is a 6.5% tax on the wholesale price of gasoline. The Governor's proposal uses a floor of \$2.50 per gallon wholesale price, which will result in a minimum increase of 16 cents per gallon for consumers at the pump. Minnesota will raise \$4.4 billion in new revenue over 10 years from the gross receipts tax to help bridge Minnesota's transportation-funding gap.

What are the benefits of a gross receipts tax?

The Gross Receipt tax is a more sustainable source of revenue than the current per-gallon gas tax because revenues will rise with gas prices. This is especially critical because many road construction costs, such as asphalt, are tied to the price of fuel.

Gas Prices Today:

Wholesale Price of Gas	\$1.33
State Gas Tax	\$.28
Federal Tax	\$.18
Gas Station Controlled Cost/Profit*	\$.21
Retail Cost Per Gallon	\$2.00

Gas Prices Today Under the Governor's Plan:

Wholesale Price of Gas	\$1.33
Gross Receipts Tax	\$.16
State Gas Tax	\$.28
Federal Tax	\$.18
Gas Station Controlled Cost/Profit*	\$.21
Retail Cost Per Gallon	\$2.16

At \$3.00 Wholesale Gas Price:

Wholesale Price of Gas	\$3.00
Gross Receipts Tax	\$.20
State Gas Tax	\$.28
Federal Tax	\$.18
Gas Station Controlled Cost/Profit*	\$.21
Retail Gallon Cost	\$3.87

**The Cost of marketing, distribution, and other privately controlled factors are estimated based on retail cost \$2.00 of gas and may change depending on the market choices of private businesses.*