



To: Jessica Spiegel, Western States Petroleum Association

From: Emily Makings, Washington Research Council

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Subject: Washington fuel tax rates under ESSB 5801

The chart on the following page shows projected fuel tax rates under ESSB 5801, as passed by the Legislature. (The bill has not yet been signed by the governor.)

The bill would increase the tax on fuel by six cents per gallon on July 1, 2025, bringing the fuel tax up to 55.4 cents per gallon. Each year thereafter, the fuel tax would be increased by 2%.

“Fuel” is defined in current law as “motor vehicle fuel or special fuel” (RCW 82.038.020). Generally, motor vehicle fuel is gasoline and special fuel includes diesel. (See the box at the end of this memo for the exact statutory definitions.) Consequently, the six-cent fuel tax increase would apply to both motor vehicle fuel and special fuel.

However, ESSB 5801 would also create a separate, additional tax rate for special fuel. The bill would increase the tax for special fuel by three cents per gallon on July 1, 2025, and by another three cents on July 1, 2027. Beginning July 1, 2028, the special fuel tax rate would be increased by 2% annually.

The estimated fuel tax rates in the chart assume that the 2% adjustments are made separately to the base fuel tax rate of 55.4 cents per gallon and to the additional special fuel rate of six cents per gallon. On July 1, 2034, the gas tax would be 66.2 cents per gallon and the diesel tax rate would be 73.1 cents per gallon.

Washington Fuel Tax on July 1
(Cents per Gallon, ESSB 5801)



 Washington Research Council

Current law (RCW 82.38.020) definitions:

- Fuel: “motor vehicle fuel or special fuel.”
- Motor vehicle fuel: “gasoline and any other inflammable gas or liquid, by whatsoever name the gasoline, gas, or liquid may be known or sold the chief use of which is as a fuel for the propulsion of motor vehicles or vessels.”
- Special fuel: “diesel fuel, propane, natural gas, kerosene, biodiesel, and any other combustible liquid or gas by whatever name the liquid or gas may be known or sold for the generation of power to propel a motor vehicle on the highways, except it does not include motor vehicle fuel.”