**Pennsylvania gas prices not as low as most states**

**New tax to fund road, bridge repairs keeping prices higher**

UPDATED 8:18 PM EST Jan 13, 2015

PITTSBURGH —Pennsylvania is seeing gasoline prices as low as they have been since 2009. The average in the state is just above $2.38 a gallon.

However, local gas prices are some of the highest in the nation. That has to do with a new state tax on gasoline created to pay for much-needed repairs on roads and bridges.

Some local drivers know why gas here is 40 cents higher than in neighboring Ohio.

“Because of the taxes,” said Marian Campbell, of Washington County. “But the bridges need it. You can’t let the bridges go, or we wouldn’t be driving at all."

Some -- like Brian Lipinski, of Beaver County -- still say the tax in Pennsylvania is too high.

"But I'm aware of the fact that we have more roads and more hills that damage the roads because of the water, compared to Ohio," Lipinski said.

Some Pittsburgh-area drivers just do not buy the need for a 10-cent tax.

"The middle-class and the lower-class people can’t afford all these ridiculous raises, and there’s no reason it should be that high," said Matt Perry, of Robinson Township.

Pennsylvania will be fixing thousands of miles of roads and bridges with money from the new tax.

States with the lowest gas taxes:

1. Alaska

> Tax as pct. of gas price: 3.9%

> State fuel tax: 11.3 cents per gallon (the lowest)

> Gas price: $2.91 (2nd highest)

Alaskans pay just 11.3 cents per gallon in gas taxes, the lowest of any state, despite having the second highest gas price in the nation. The state's economy has historically been dependent on the energy industry, which also accounts for much of its economic activity and tax revenues. However, this also exposes the state to fluctuations in the oil price, including the commodity's current rout.

2. New Jersey

> Tax as pct. of gas price: 7.0%

> State fuel tax: 14.5 cents per gallon (2nd lowest)

> Gas price: $2.06 (22nd highest)

New Jersey has the second lowest gas tax in the nation. The price of fuel, however, is relatively high due in large part to a statewide ban on self-service gas stations. Only Oregon has a similar law. While reform advocates argue that lifting the ban would lower gas prices, proponents of the ban argue that full-service stations are a critical source of jobs.

3. South Carolina

> Tax as pct. of gas price: 8.6%

> State fuel tax: 16.8 cents per gallon (3rd lowest)

> Gas price: $1.94 (12th lowest)

Gasoline costs $1.94 per gallon in South Carolina, one of only a few states where gas is below $2 a gallon. As in most states, low gas prices are the result of low taxes. South Carolina has the third-lowest gas tax in the nation. Overall state taxes are quite low as well, in fiscal 2012, the state collected $1,710 per capita in taxes, less than all but two other states.

4. Oklahoma

> Tax as pct. of gas price: 9.4%

> State fuel tax: 17.0 cents per gallon (4th lowest)

> Gas price: $1.81 (2nd lowest)

Oklahoma levies 17 cents on each gallon of gasoline, the fourth lowest fuel tax nationwide. While the lower gas price is a boon for Oklahoma drivers, the state may have more trouble than others funding infrastructure projects. The state received a close-to-failing grade for its bridges and roads in 2013 from the ASCE, which noted that over 70% of funds from fuel taxes, registration fees and other vehicle-related sources "are diverted to non-transportation purposes."

5. Arizona

> Tax as pct. of gas price: 9.5% (5th lowest)

> State fuel tax: 19.0 cents per gallon (8th lowest)

> Gas price: $2.01 (21st lowest)

Arizona maintains relatively low gasoline taxes, charging just 19 cents per gallon, among the lowest gas taxes of any state. As a result, less than 10% of the price of gas goes to the state, well below the average nationwide. The lack of competing uses for oil may also help keep gas prices down. According to the EIA, seven of every eight barrels of petroleum used in the state are used for transportation, mostly in the form of gasoline and diesel fuel.

The states with the highest gas taxes:

1. Pennsylvania

> Tax as pct. of gas price: 21.3% (the highest)

> State fuel tax: 50.5 cents per gallon (the highest)

> Gas price: $2.38 (7th highest)

Pennsylvania has the nation's highest fuel taxes, at 50.5 cents per gallon. This is due to the state's relatively new gas tax, passed in 2013. The new tax is charged on fuel transactions and is based on the wholesale price of gas — although the reference price used is locked in for roughly another two years and then becomes subject to an even higher minimum. The tax is designed to raise money for construction and necessary repairs for bridges and roads throughout the state.

2. Connecticut

> Tax as pct. of gas price: 17.7% (3rd highest)

> State fuel tax: 43.2 cents per gallon (5th highest)

> Gas price: $2.44 (6th highest)

Connecticut charges 47.4 cents in total taxes and fees for every gallon of gas, more than all but two other states. Yet, the state's gas taxes have been on the decline, as a portion of the taxes is based on gasoline prices. Currently, a gallon of gas costs $2.44 in Connecticut, among the highest gas prices in the United States, although far below the year ago price of $3.69 per gallon.

3. California

> Tax as pct. of gas price: 17.7% (4th highest)

> State fuel tax: 45.4 cents per gallon (4th highest)

> Gas price: $2.57 (4th highest)

California's gas taxes are among the highest in the nation, with the state charging 45.4 cents for every gallon purchased. However, such high fees may well be justified as more than 29 billion vehicle miles were driven on California roads last October alone, the most of any state. Additionally, more than 36% of the state's bridge surface area was either structurally deficient or functionally obsolete as of 2013, more than in all but a few states. In all, California taxed nearly 10 billion gallons of gas in the first eight months of 2014, well more than any other state.

4. New York

> Tax as pct. of gas price: 17.4% (2nd highest)

> State fuel tax: 45.1 cents per gallon (3rd highest)

> Gas price: $2.59 (3rd highest)

New York charges more than 45 cents per gallon in taxes, among the highest tax rates in the country. Yet, although the state's taxes are extremely high, they are likely needed. As of 2013, more than 60% of bridge area in the state was deficient, the highest rate in the United States. Critics of the state's tax policy, however, could point to New York's extremely high state and local tax burden, which was the highest in the country as of fiscal 2011, at 12.6% of per capita income.

5. North Carolina

> Tax as pct. of gas price: 17.2% (5th highest)

> State fuel tax: 37.8 cents per gallon (6th highest)

> Gas price: $2.19 (19th highest)

North Carolina charges nearly 38 cents in taxes and fees per gallon of gasoline. The state also moved relatively quickly to hike the fixed portion of its gas tax by 1 cent by at the start of 2015. Yet, with gas prices expected to stay low, and part of the state's tax pegged to wholesale prices on a lag, the state's fuel tax could fall significantly in the coming months.