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Isaac M. O'Bannon • May. 05, 2014

American businesses enjoy some of the lowest gasoline and diesel pump prices among the major world economies, according to a new study by international accounting firm network [UHY LLP](#).

This is largely because of comparably low tax rate that is applied to fuels, which in the U.S. averages about 13% on gasoline and 12% on diesel. This is considerably less than some other major developed economies, especially those in Europe.

The result is that the cost of filling the tank of a Ford Transit van with diesel in the US is \$83.48 USD, less than half the cost in the UK, where the price of diesel is highest. For gasoline models, the U.S. cost to fill the tank would be \$75.16 USD, less than half the cost of filling up in Denmark, where gasoline prices are highest.

UHY says that as diesel is used in the majority of commercial vehicles, this comparatively light tax burden is good news for businesses. In comparison, the UK, France and Germany all levy taxes of at least 60% on gasoline, and between 40-60% for diesel.

The report notes that while environmentalists argue that fuel taxes are important in cutting greenhouse gas emissions, the transport lobby and small and medium businesses say that keeping the costs down is vital for all businesses. UHY adds that this study is a reminder of the importance of maintaining tight control on the levels of business taxation, especially as the recovery from recession starts to gather pace.

“Taxes on fuel are an area in which the burden on US businesses is far lighter than in many other countries, which is likely to be a significant boon in helping to stimulate

growth and speed up our recovery from the recession,” said Scott Miller, Partner and

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per gallon on gasoline and diesel, which alongside state taxes on fuel consumption contribute to an average US fuel tax of 13% on gasoline and 12% on diesel.

In late 2013, a proposal was introduced in Congress to increase that fuel tax to 33.4 cents per gallon on gasoline and 42.8 cents per gallon on diesel.

“Increasing the federal fuel tax is a political challenge that few U.S. politicians would be enthusiastic about,” Miller added. “While some argue that a fuel tax increase is needed to fund transportation infrastructure, others maintain any tax increase would be a drag on the economy. At the state level, with decreasing gas consumption and increasing infrastructure costs, many states are considering gas tax increases or other tax changes to make up for the lost gas tax revenue.”

Small Business

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