**Fund 214 - SPECIAL GAS TAX**

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**Revenue Sources - Descriptions and Trends**

**Revenue Source** - Fuel tax is a tax levied by the state, under K.S.A. 79-3401 et. seq., on motor vehicle fuel for the purpose of defraying in whole, or in part, the cost of constructing, widening, purchasing of right-of-way, reconstructing, maintaining, surfacing, resurfacing and repairing public highways and roads, including the payment of bonds issued for highways included in the state system. State law provides that the State apportion motor vehicle tax revenue to cities and counties in Kansas. Money is allocated to cities based on the population of each city in proportion to the total population of the state. State law also requires counties to give a portion of the fuel tax revenue they receive to cities. Douglas County credits 90% of the funds received from the State to their road and bridge fund and allocates the remainder among the several cities in the county. Revenues must be used for the construction, reconstruction, alteration, repair and maintenance of the streets and highways, and for the payment of bonds and interest thereon.

**Trends** - Revenue continues to increase modestly for this fund although the tax rate per gallon ($0.25/gallon) has not increased since 2003. Projections for 2005 are conservative due to the continued fluctuation in fuel costs and the potential effect on sales statewide.