



State Streets and Transportation

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Reference Number: MTAS-1880

Revenue Class: Intergovernmental Revenue

Fund: General

Account No.: 33552

Description: This represents what is referred to as the Special Privilege Tax or the Petroleum Special Products Tax/Gas Inspection Fee and the Export Tax. The Special Privilege Tax establishes a local government fund created by a tax of one cent per gallon on all petroleum products. The export tax is a tax of 1/20th of one cent per gallon of petroleum product that is stored in Tennessee or stored in Tennessee and then exported. If the special privilege tax has already been paid, then 19/20th of the Special Privilege Tax can be credited on the Export Tax return. The local share is distributed to municipalities based on population.

Authorization: T.C.A. § 67-3-203; T.C.A. § 67-3-205; T.C.A. § 67-3-906

Requirements or Restrictions: As noted in T.C.A.

Current Rate: The state distributes \$619,833 per month to cities on a population basis. Before the money is distributed to cities, the state retains \$10,000 per month and allocates it to **The University of Tennessee Center for Government Training**.

Frequency of Payment: Monthly.

Late Pay Penalty: N/A

Exemptions: As noted in T.C.A. § 67-3-401 *et seq.* Some of the exemptions include government agencies, products used for agricultural purposes, exported products, kerosene, and aviation fuels.

Collection: Revenue is distributed monthly by the state.

Use Restrictions: Although this money is general fund revenue, it is limited in the same manner as the state gasoline and motor fuel tax (to fund city street projects).

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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