

- Because of the importance of the maritime industry in the state's economy, the industry impacts many different industries in the state. One of those industries is the retail and wholesale sale of gasoline and diesel fuel for vehicles. Every year, the ports of Louisiana and the maritime industry generate the demand for millions of gallons of gasoline and diesel fuel. That demand is from two major sources. First, one of the major forms of in-land transportation of cargo that is loaded and off-loaded at Louisiana ports is truck transportation. These trucks, mostly diesel, buy fuel in the state of Louisiana. Second, demand for gasoline is created by the people in the state who owe their jobs to the ports and the maritime industry.
- The purpose of this study is to estimate these jobs sources of demand. Once the new demand is estimated, we will then estimate the gasoline and special fuels tax dollars that are created by the ports and the maritime industry for the state of Louisiana.
- In 2002, the total miles traveled by trucks carrying cargo to and from Louisiana ports **was 221.40 million roundtrip miles**. In order to estimate the total gallons used, the total Louisiana miles traveled must be divided by the average miles per gallon of a typical large freight-carrying truck. According to the U. S. Department of Transportation, the average fuel mileage for a "combination Truck" in 1999 was 5.0 miles per gallon. (Source: U. S. Department of Transportation, Federal Highway Administration, Highway Statistics, 1999, Washington, D.C., Table VM1 and annual.) **In 2002, the trucks carrying cargo to and from Louisiana ports burned 44.28 million gallons of diesel fuel.**
- The final step in estimating the total amount of gasoline and/or special fuels tax paid by trucks calling on Louisiana ports is to multiply the number of miles traveled by the tax rate on fuel -- \$.20 per gallon. **Thus, the truck companies pay \$8.86 million annually in gasoline and special fuels taxes to the state of Louisiana.**
- The second component of the gasoline tax impact of the ports is the gasoline taxes paid by individuals and businesses that owe their livelihood to the ports of Louisiana and the maritime industry. In order to estimate this component we need to estimate the income created by the ports. It is this income that produces the "new" spending on retail purchases of gasoline. To estimate the income created by the ports, we must calculate the economic impact of the ports and the maritime industry in the state. In March 2001, a study of the economic impact of the Louisiana ports was completed by this author (Timothy P. Ryan, The Economic Impacts of the Ports of Louisiana and the Maritime Industry, University of New Orleans, 2001). That study was updated to 2002 data (based on the 2002 Louisiana Ports Survey).

- In 2002, the ports and the maritime industry generated total direct spending in the Louisiana economy of \$11,389.83 million, or **\$11.39 billion dollars**. That direct spending creates an additional \$21,532.13 million, or **\$21.53 billion**, of secondary spending in the Louisiana economy. Thus, the total economic impact of the ports of Louisiana and the maritime industry in 2002 was \$32,921.96 million, or over **\$32.92 billion**. The ports and maritime industry create **total annual income in the state of \$5.66 billion**. Finally, the industry supports the employment of 269,259 people in the state. Note that not all of the jobs are fully dependent on the maritime industry but do rely in whole or in part on the economic activity created by the industry.
- In 2002, the ports of Louisiana and their related economic activities in the state alone generated a total of \$314.75 million in tax revenues for the state of Louisiana (see Table 10). The ports and the firms located in the state because of the ports generated a total of \$152.29 million for hard-pressed local governments in the state. In total, the economic activities of the ports and the maritime industry created a total of \$467.04 million in state and local tax revenue.
- It is possible to break out the gasoline tax revenue from the state tax estimates. In 2000, the CES estimated that the typical consumer spends 2.95% of their income on gasoline purchases (Source: U. S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey 2000, Washington, 2002). The ports and maritime industry in 2002 created \$5.66 billion of new income for Louisiana residents. Applying the 2.95% ratio indicates that consumers bought \$166.91 million of gasoline out of the new income created by the ports system. Based on the average price of gasoline of \$1.39 per gallon, the \$166.91 million translates into the sale of 119.65 million gallons of gasoline purchased. **Thus, the operations of the ports and the maritime industry in the state of Louisiana creates \$23.93 million of gasoline tax receipts for the state due to port-related consumer purchases of gasoline. Thus, the economic activities of the ports and the maritime industry in the state of Louisiana in 2002 created \$32.79 million in gasoline and special fuels tax revenue for the state.**