

A Primer on Maryland Gas Prices

What determines the price of gasoline?

Generally, the price the public pays for a gallon of gasoline can be broken into four components: crude oil, federal and state taxes, refining and profits, and marketing and distribution. The cost of crude oil is about 45 percent of the cost, taxes about 25 percent, refining and profits about 15 percent and marketing and distribution contribute the final 15 percent.

Why is gasoline less expensive on the Eastern Shore than in Baltimore?

In areas that have poor air quality, gas stations sell reformulated gasoline (RFG) which is better for the air. Reformulated gasoline costs more to refine, and as a result costs about 10 cents more per gallon at the pump.

The U.S. Environmental Agency classifies certain portions of the state as either an attainment or non-attainment area for air quality. The Eastern Shore is an attainment area because it meets federal air quality standards. Therefore, it does not have to use reformulated gasoline.

What areas in Maryland are “attainment” areas?

Attainment areas for ozone are Caroline, Talbot, Dorchester, Wicomico, Worcester, Somerset, St. Mary's, Allegany, Garrett, and Washington counties.