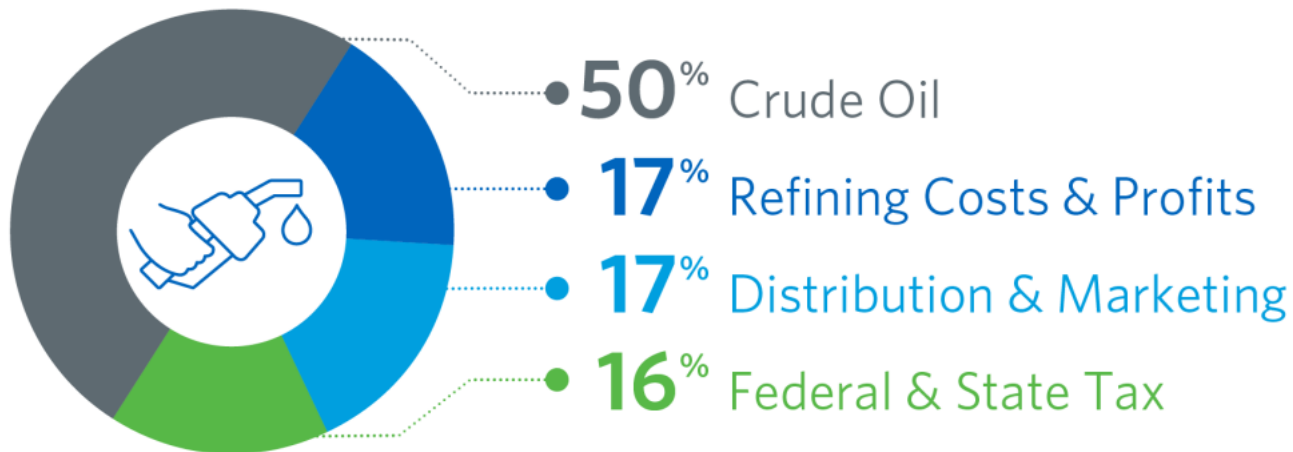

AAA expects roughly 45 million travelers to head out of town and go at least 50 miles from home over the upcoming Memorial Day weekend, [breaking a 20-year travel record](#) in the process. The vast majority of these travelers—nearly 90%—are likely to be road warriors, driving cars and trucks fueled by American-made gasoline.

Understandably, these drivers will be paying close attention to gasoline prices, and according to the U.S. Energy Information Administration (EIA), prices at the pump [are at a multi-year low](#) heading into Memorial Day weekend. A gallon of regular gasoline is expected to be about 50-cents lower this Memorial Day holiday than last, and well below the 2022 price tag of [\\$4.69 per gallon](#).

There are a host of [factors that impact the prices Americans pay for gasoline](#), starting with the price of crude oil. As the key ingredient, or feedstock, for fuels like gasoline and diesel, crude oil is responsible for [more than half](#) of what consumers pay at the pump. The [price of crude oil is set in the world market](#), not by individual producers and not by the refineries that process crude into gasoline.

Factors Affecting Gasoline Prices



Source: U.S. Energy Information Administration, May 2025 data

Beyond crude oil (accounting for 50% of finished gasoline prices), other factors that contribute to what drivers pay at the pump include:

- **federal and state taxes** (roughly 16% of the total cost, but [considerably more](#) in states like California, Nevada, Illinois and Pennsylvania),
- **refining costs and profits** from manufacturing crude oil into gasoline (17% of total finished gasoline costs), and

-
- **costs to market and distribute** gasoline through pipelines, marine vessels, regional storage terminals and trucks (17% of total costs).

So, as we head into a potentially record-summer driving season, remember gasoline prices are complicated and influenced by a number of factors. Visit these sources for a refresher on [summer gasoline blends](#), an explanation of [how state policies affect pump prices](#) and a full breakdown of [how the energy market impacts fuel prices](#).

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About AFPM:

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Topics

[Gasoline](#)

