

# 2015 Transportation Summit

## Funding Innovations

September 29<sup>th</sup>, 2015 -- 8:00am -- Noon  
St. Charles Convention Center

# Transportation Revenues since 2012

- Twenty-one states have increased transportation revenues
  - All increases were by legislative enactments
  - Six of those states had previously attempted and failed to enact legislation over the last three years
- Three states have active legislation to increase transportation revenues
- Eight other states failed to pass legislation to increase transportation funding
  - Ballot measures were defeated in both Michigan and Missouri, the only states that attempted a popular vote on a revenue increase
- Texas, altho not involving a revenue increase, did pass, by popular vote, a constitutional amendment to redirect half of oil and gas production taxes to transportation
  - A November vote on redirecting general and motor vehicle sales taxes to transportation

# States that increased revenue ...

- 12 used a combination of sources
- 16 either increased the fuel tax directly or created mechanisms to effectively increase revenue from the tax
- 8 either directly or indirectly indexed the fuel tax
- 1 eliminated the fuel tax but instituted a motor fuel sales tax
- 3 introduced a motor fuel sales tax
- 8 increased or added motor vehicle/drive license fees
- 2 states increased the general sales tax with proceeds dedicated to transportation
- 3 states increased the vehicle sales tax with proceeds dedicated to transportation
- 5 states redirected existing state revenues to transportation



	Fuel Tax	Fuel Sales Tax	Vehicle & License Fees	General Sales Tax	Vehicle Sales Tax	Redirect Existing Revenues	Other	Revenue Uses
Massachusetts	3 cent increase; indexed					Other state funds, including all vehicle sales tax	Tolls, fees & fares indexed; savings from efficiencies	Multi-Modal
Maryland	Tax indexed	3% tax introduced, increasing to 4-5%					Transit fares indexed	Multi-Modal
North Carolina	Reduced tax by 3.5 cents, but indexed tax, producing more revenue							Roads
Nebraska	6 cent increase							Roads
New Hampshire	4 cent increase; tax extended to alternative fuels							Roads
Ohio							Turnpike toll increase	Roads
Pennsylvania	Retail tax eliminated; tax at wholesale increased & uncapped		Vehicle registration, licensing & truck weight fees increased; indexed			Some motor license funds and Turnpike obligation to State	Traffic fines increased	Multi-Modal

	Fuel Tax	Fuel Sales Tax	Vehicle & License Fees	General Sales Tax	Vehicle Sales Tax	Redirect Existing Revenues	Other	Revenue Uses
Rhode Island	1 cent increase; indexed					Some vehicle fees and rental car taxes		Roads
South Dakota	6 cent increase		Vehicle registration and truck weight fees increased		1% increase			Roads
Utah	Per gallon tax changed to a 12% assessed rate with a base per gallon rate 5 cents higher than today's tax							Roads
Virginia	Tax eliminated	3.5% wholesale gas tax & 6% wholesale diesel tax; tax may increase by additional 1.6%	Fee on hybrid vehicles added	0.3% increase	1.15% increase	Small % of existing sales taxes	Mandatory local transportation taxes imposed in two regions	Multi-Modal



# Perhaps the most innovative and promising evolving revenue source...

- VMT (Vehicle Miles of Travel) tax or Road User Charge
  - per mile fee
- Oregon conducted two pilot programs and just instituted a voluntary program
  - began July 1, 2015
  - 5,000 volunteers
  - 1.5 cent per mile charge
  - credit provided to offset fuel tax paid
  - ultimately looking to expand program and replace fuel tax



# Successful revenue enhancement campaigns appear to share...

- Strong gubernatorial support
- Effective marketing based on data-driven research substantiating the need and potential benefits
- Involve a broad coalition of interests (traditional and non-traditional) to both develop and market the revenue package
- Policies and investment principles, not project listings, seem to be most effective