

State Transportation Funding Actions: 2012-2016

2012

Arkansas (HJR 1001): increased the statewide sales tax by ½ cent to support a \$1.3B general obligation (GO) bond issuance, to be used mostly for its 4-lane highway network including rural and local road repairs. The sales tax increase is rescinded in 10 years upon bond maturity and repayment.

2013

Maryland (HB 1515): indexed the motor fuel tax rate to inflation, subject to a ceiling of 8% growth annually; added a 3% sales tax at the pump, phased in over three years (2013-2015) and potentially increasing up to 5% contingent on Congressional action on the Marketplace Fairness Act; and indexed the Maryland Transit Administration's fares to inflation via the consumer price index.

Massachusetts (H 3535): increased the motor fuel tax rate by 3 cents-per-gallon (cpg) and indexed the rate to inflation; increased taxes on cigarettes and other tobacco products; directed MassDOT and the Massachusetts Bay Transportation Authority to increase its funding share from tolls, fees, fares, other sources and efficiencies; and, dedicated vehicle sales tax proceeds to transportation uses.

New Hampshire (SB 367, HB 1142): increased the motor fuel tax rate by 4 cpg and broadened assessment to encompass alternative fuel vehicles.

Ohio (HB 59): authorized \$1.5B in new toll-backed debt to finance highway projects.

Pennsylvania (HB 1060): Replaced the cents-per-gallon motor fuel tax rate with a sales tax assessed at wholesale; and, increased vehicle registration, license, weight-based fees, and moving violation fines.

Vermont (H.510): reduced the motor fuel tax rate on gasoline by 0.8 cpg, to 19.2; increased the diesel rate by 2.0 cpg, increasing another 1.0 cpg in 2014; added a 2% sales tax on gasoline, assessed at the distributor level; and, authorized \$9M in additional debt financing.

Virginia (HB 2313): increased the statewide sales tax by 0.3% to 5.3%, with .175% allocated to the Highway Maintenance and Operating Fund, 0.05% to the Intercity Passenger Rail Operating and Capital Fund, and 0.075% to the Commonwealth Mass Transit Fund; abolished the 17.5 cpg fuel tax, replacing it with a 3.5% wholesale tax (conditional increase to 5.1%) on gasoline and a 6% wholesale tax on diesel; raised the vehicle titling tax rate from 3% to 4.15% over a four year period; increased the share of general sales and use tax revenue for transportation from 0.5% to 0.675%; established an annual \$64 fee on hybrid, electric, and alternative-fuel vehicles; authorized local option taxes in Northern Virginia and Hampton

Roads; and, directed internet sales tax receipts to transportation, contingent on Congressional action on the Marketplace Fairness Act.

Wyoming (HB 69): increased the motor fuel tax rate by 10.0 cpg to exclusively fund highway projects.

2014

Florida (H 7175): authorized the leasing of right-of-way (ROW) for cellular towers and advertising located on state nature/recreational trails.

Rhode Island (HB 7133): increased the motor fuel tax by 1.0 cpg; directed vehicle fee and rental car tax revenue to highway maintenance; and, authorized a \$35M bond referendum for transit hub infrastructure.

2015

Delaware (H 140): increased the vehicle sales tax by half of percentage point and increased vehicle/license fees to generate \$24M in additional revenue for state highway maintenance.

Georgia (HB 170): converted its current combined motor fuel tax rate, composed of a flat 7.5 cents per gallon (since 1971) and additional 4% sales tax on the wholesale price of fuel, to new flat rates of 26 cpg for gasoline (from 19.3 cpg) and 29 cpg for diesel (from 21.3 cpg), indexing the rates to both fleet efficiency and inflation via the consumer price index. Exempted fuel from the state sales tax, except for the 1% imposed by counties. Established new registration fees for electric vehicles, ranging from \$200/yr. for non-commercial to \$300/yr. for commercial vehicles, and eliminated a \$5,000 credit for new electric cars. Imposed a highway impact fee for weighted vehicles, ranging from \$50/yr. (15,500-26,000 lbs.) \$100/yr. (>26,000 lbs.). Authorized a limited duration local option sales tax increase of up to 1% for transportation purposes. Imposed a \$5/night fee for short-term lodging to be used exclusively for transportation purposes.

Idaho (HB 312): increased the motor fuel tax by 7 cpg to 32cpg; increased registration fees for vehicles; established additional fees for hybrid (\$75) and electric (\$140) vehicles; and, dedicated excess general fund revenues for statewide road projects.

Iowa (SF 257): increased the motor fuel tax rates by 10 cpg, ranging from 29.0 – 32.5 cpg; increased the aviation fuel tax rate by 2 cpg to 5 cpg; and, increased vehicle size/weight permit fees.

Kentucky (HB 299): increased the minimum fuel tax (floor) to 24.6 cpg, averting a projected drop from 27.5 cpg to 22 cpg.

Michigan (HB 4614, 4616, 4736, 4737, 4738, SB 414): increased the motor fuel tax rates for gasoline (by 7.3 cpg) and diesel fuel (by 11.3 cpg) to a rate of 26.3 cpg effective 2017, and

indexed the rates to inflation; increased vehicle registration fees by 20% and established new fees on hybrid and electric vehicles, effective 2017; and, increased scheduled general fund support from \$150M/yr. (2018) to \$600M/yr. (2020).

Nebraska (LB 610): increased the motor fuel tax rate by 6 cpg to 31.6 cpg.

South Dakota (SB 1): increased the motor fuel tax rate by 6.0 cpg to 28 cpg; increased the vehicle sales tax by 1.0 percentage point; increased vehicle registration and weight-based fees; expanded local option property tax uses for road/bridge repair and construction; increased optional county vehicle registration fees; and, established a local bridge improvement competitive grant fund.

Texas (SJR 5): reserved excess general sales tax revenue - \$2.5B, if greater than \$28B is received - for transportation and directed 35% of the growth in vehicle sales and rental tax proceeds beginning in 2020. Use is limited to the construction of non-toll highways.

Utah (HB 362): converted the flat 24.5 cpg motor fuel tax rate for gasoline to a sales tax assessed at 12% of the average wholesale price of fuel, effective 2016 with provisions for future indexing to the consumer price index; incrementally increased the rate on diesel, natural gas, and hydrogen to the equivalent of 16.5cpg by 2018; authorized a ¼ cent local option sales tax for transportation, inclusive of roadways, transit, bicycle and pedestrian and other transportation projects; and, directed a study regarding the implementation of a road-usage charge revenue system.

Washington (SB 5987): increased the motor fuel tax rate by 11.9 cpg over two years; increased vehicle weight and license fees; and, authorized local option vehicle, sales, and property tax increases for Sound Transit.

2016

Indiana (HB 1001): transferred state reserves exceeding 11.5 percent (\$411M) of the General Fund appropriation for FY 2017, dedicating 55% to the State Highway Fund and 45% to the Local Road and Bridge Matching Grant Fund; altered sales and use tax and gasoline use tax distributions; transferred \$100M from the General Fund that was previously designated for the state's "Major Moves 2020" plan; authorized debt refinancing to borrow an additional \$26M; authorized municipalities to levy a vehicle license surtax and municipal wheel tax; and, returned local option income tax proceeds to municipalities, but required that 75% be used for transportation.

New Jersey (SB 2412): increased the state motor fuel tax rate by 23 cpg, from 14.5 to 37.5 cpg; authorized \$12B in new borrowing authority; provided for a referendum on a constitutional amendment to set aside fuel tax proceeds in a "lockbox" for transportation uses; reduced the sales and use tax rate from 7% to 6.625%; eliminated the estate tax (applicable to assets in excess of \$675,000) in 2018; and, made other taxation adjustments affecting general fund revenue.