

RECENT DEVELOPMENTS IN STATE TRANSPORTATION FUNDING

Since 2013, 17 states have increased taxes on motor fuel to support needed transportation investments.

In the 2013-2014 election cycle, 89 percent of Republicans and Democrats voting for a motor fuel tax increase were reelected.

Over the past 10 years, state transportation funds have supported an average of 48 percent of state DOT annual capital outlays for road and bridge construction, planning, design work, and right of way acquisitions, with federal resources providing the remaining 52 percent.

STATE MOTOR FUEL TAX INCREASES: 2013-2016

DATE	STATE	MEASURE
Feb. 15, 2013	Wyoming	10 cents-per-gallon increase on the state gas tax.
March 25, 2013	Virginia	Bill to scrap the flat state gas tax, raise the sales tax, create a tax on wholesale gas and diesel and charges registration fee for hybrid, electric and alternative-fuel vehicles.
May 16, 2013	Maryland	Legislation to link the state's flat gas tax to the Consumer Price Index and establish a new 3 percent sales tax on the average wholesale price of gasoline in addition to the flat gas tax (initial 4 cents-per-gallon increase).
July 24, 2013	Massachusetts	Gas tax increase of 3 cents-per gallon. The 2013 bill also indexed the state gas tax to the Consumer Price Index, but this aspect was repealed by a 2014 ballot measure.
Nov. 25, 2013	Pennsylvania	Legislation to eliminate the state retail gas tax paid at the pump and gradually remove the cap on the Oil Company Franchise Tax—charged to companies on the average wholesale price of gasoline.
April 29, 2013	Vermont	New 2 percent tax on the average wholesale price of gasoline (in addition to another 2 percent tax already in place), and a slight decrease in the flat state gas tax.
May 22, 2014	New Hampshire	4 cents-per-gallon increase on the state gas tax.
June 19, 2014	Rhode Island	State gas tax increase of 1 cent-per-gallon, linked to the Consumer Price Index (will be evaluated every two years to reflect changes in inflation).

Feb. 24, 2015	Iowa	10 cents-per-gallon state gas tax increase, as well as an increase in oversized/overweight vehicle permit fees.
DATE	STATE	MEASURE
March 17, 2015	South Dakota	6 cents-per-gallon state gas tax increase, an additional 1 percent to the motor vehicle excise tax, and to raise license plate fees by 20 percent. Counties will also be allowed to increase property taxes for local transportation funding.
March 27, 2015	Utah	5 cents-per-gallon gas tax increase, a new 12 percent tax on the statewide average wholesale price of motor fuel to replace the flat gas tax in the future (once the average wholesale price of fuel reaches \$2.45/gallon), and permission for county transportation funding taxes..
April 21, 2015	Idaho	7 cents-per-gallon gas tax increase, raises vehicle registration fees, and institutes a fee on electric and hybrid cars. Additionally, a 'surplus eliminator' included in House Bill 312a would apportion half of any General Fund surplus for transportation in the next two fiscal years.
May 4, 2015	Georgia	Legislation to eliminate a 4 percent sales tax on motor fuel (half of which was not used for transportation), increase the flat excise tax on gasoline to 26 cents-per-gallon (from 7.5 cents-per-gallon, excluding the 4 percent sales tax), index the new state gas tax to the Consumer Price Index (ending July 2018) and the Corporate Average Fuel Economy, and increase several transportation-related taxes and fees.
May 14, 2015	Nebraska	6 cents-per-gallon state gas tax increase.
July 1, 2015	Washington	11.9 cents-per-gallon state gas tax increase, and an increase in transportation-related fees, including those for overweight vehicles..
Nov 10, 2015	Michigan	Increase in both gasoline and diesel taxes to 26.3 cents-per-gallon, with indexing to inflation starting in 2022. Additional increases to vehicle registration fees, alternative fuel and electric vehicle fees, and General Fund transfers were included in the bill.
Oct. 14, 2016	New Jersey	23 cents-per-gallon gasoline tax increase and 27 cents-per-gallon diesel tax increase, to generate \$16 billion in transportation funding over the next eight years.