

Reauthorization Funding Options

2014 Fill Immediate Shortage

Shortfall: **\$5-10 Billion**
(Minimum)

Possible Revenue Options:

General Fund Transfer with Pension
Smoothing (or other idea) as offset:
\$ 5-10 Billion

Total New Revenue: \$ 5-10 Billion

2015-2020 Provide 6-Year Funding Security to Create Basis for Growth

**Needed to improve highway and transit
performance:** **\$473 Billion**
Current spending + inflation: **\$309 Billion**
Shortfall: **\$100 Billion**

Proposed Revenue Options

Dedicate 15% Customs Duties/HTF: \$ 36.72 B
\$5 driver license fee*: \$ 7.06 B
\$5 light duty tire tax*: \$ 6.27 B
Increase heavy vehicle use tax*: \$ 6.64 B
\$10 light duty Reg. fee*: \$ 16.70 B
10 cent diesel tax increase: \$ 25.92 B
index diesel tax: \$ 5.16 B
index gas tax: \$ 14.30 B
Total New Revenue: **\$118.77 B**

Or

10 cent increase in gas and diesel taxes:
\$105.9 B

Or

Phase in of items listed here

*Indexed for inflation

2015– 2030 Next Generation Revenue Options to Fund Growth that Addresses Actual System Needs

Needed to improve performance:
\$936 Billion

Potential Future Revenue Options

Distance traveled fee
Energy extraction fee
Energy transmission fee
Freight fee (such as customs duties,
container fee and freight fee)
Gas equivalent fee for electric vehicles
LNG export fee
Repatriation of corporate profits
Per barrel oil fee
Transit fee

Explanation of Shortfall and Revenue Options

Shortfall – The shortfall in 2014 and 2015-2020 represents the discrepancies between the revenue going into the HTF and the projected outlays of the trust fund assuming current funding levels plus inflationary increases. The Congressional Budget Office projects that without Congressional action the HTF will be unable to meet all of its obligations in 2014 and will be unable to support any new projects in fiscal year 2015.

Revenue Options – TCC is proposing a combination of new and existing user fees currently being collected at the federal and state level as options to fill the 6-year HTF shortfall and create a basis for future growth. States that are currently using various fees for transportation revenue include:

- 48 States w/ Vehicle Registration, License or Title Fees
 - CA, DC, GA – *do not have any such fees*
- 37 States w/ Vehicle or Truck Weight Fees
 - DE, DC, FL, GA, ID, IN, IA, MA, MI, NE, OK, PA, RI, SC, WV – *do not have any such fees*
- 23 States w/ a Vehicle Sales Tax
 - AK, AZ, CT, FL, HI, IL, KY, MD, MN, MO, MT, NE, NV, NJ, NM, NY, NC, ND, SD, UT, VA, VT, WV

Explanation of Revenue Options

(EXISTING) Customs Duties—Customs duties are imposed at varying rates on various imported goods passing through US international gateways and currently go to the General Fund of the US Treasury. A number of interest groups as well as the SAFETEA-LU policy commission have suggested that given the role transportation infrastructure plays in facilitating the import of goods, a portion of current customs duties should be allocated to support transportation investment.

(NEW) Drivers License Fee- The annual driver's license fee would be a federal surcharge on current state license fees. All states charge a fee which in some cases simply covers the cost of administering the licensing programs. In many states however, license fees also are used as a source of funding for transportation or other purposes. Currently 48 states have a registration fee and all but a handful use the proceeds for road improvement projects. This fee, as with others, should be indexed to CPI for inflation.

(NEW) Light duty tire tax- Similar to the existing heavy vehicle tire fee, this fee would apply to tires that do not exceed maximum capacity of 3,500 pounds. This would be a national tire tax on both new cars and replacement tires. This fee, as with others, should indexed to CPI for inflation.

(EXISTING) Increase heavy vehicle use tax- Currently this tax is levied on all trucks 55,000 pounds Gross Vehicle Weight (GVW) or greater. The tax rate is \$100 plus \$22 for each 1,000 pounds of GVW in excess of 55,000 up to a maximum annual fee of \$550 (thus all trucks with GVW greater than 75,000 pounds pay the maximum).

(EXISTING) Heavy duty truck tire tax- Applies to tires with a maximum load rated over 3,500 pounds. The current tax is 9.45 cents for every 10 pounds of maximum capacity that exceeds the 3,500 threshold. The maximum was last increased in 1982 and was actually lowered in 1984. This fee, as with others, should indexed to CPI for inflation.

(NEW) Vehicle Registration Fee- All states impose annual vehicles registration and related fees, and at least half the states raise more than a quarter of their dedicated transportation revenues through this mechanism. The structure of the registration fee varies widely, from a flat per vehicle fee to a schedule of rates based on factors such as vehicle type, weight, age, horsepower, and value. This increase in would apply a federal surcharge to state registration fees. We propose that this and all other fees are indexed to CPI.

(EXISTING) Diesel Fuel Tax Increase- Increasing the tax on diesel only is modeled after the inland water ways trust fund proposals that were included in the House draft for tax reform, the president's budget and the Senate Finance committee extenders package. The barge operators have convinced members of congress to increase the fuel tax that they pay to fund infrastructure investment.