

October 2001

**HIGHWAY-RELATED REVENUES - OTHER STATES**

The majority of state highway revenues are provided from fuels taxes and motor vehicle registration fees.

**FUELS TAX RATES**

The following schedule compares tax rates on a gallon of gasoline or a gallon of diesel fuel for all the states:

	Gasoline	Diesel
Alabama	\$0.160	\$0.170
Alaska	0.080	0.080
Arizona	0.180	0.180
Arkansas	0.215	0.215
California	0.180	0.180
Colorado	0.220	0.205
Connecticut	0.250	0.180
Delaware	0.230	0.220
Florida	0.136	0.256
Georgia	0.075	0.075
Hawaii	0.248-0.325	0.248-0.325
Idaho	0.250	0.250
Illinois	0.190	0.190
Indiana	0.150	0.160
Iowa	0.200	0.225
Kansas	0.210	0.230
Kentucky	0.150	0.120
Louisiana	0.200	0.200
Maine	0.220	0.230
Maryland	0.235	0.243
Massachusetts	0.210	0.210
Michigan	0.190	0.150
Minnesota	0.200	0.200
Mississippi	0.180	0.180
Missouri	0.170	0.170
Montana	0.270	0.270
Nebraska	0.245	0.245
Nevada	0.240	0.270
New Hampshire	0.180	0.180
New Jersey	0.105	0.105
New Mexico	0.170	0.180
New York	0.080	0.080
North Carolina	0.241	0.241
North Dakota	0.210	0.210
Ohio	0.220	0.220
Oklahoma	0.160	0.130
Oregon	0.290	0.290
Pennsylvania	0.120	0.120
Rhode Island	0.280	0.280
South Carolina	0.160	0.160
South Dakota	0.220	0.220
Tennessee	0.200	0.170
Texas	0.200	0.200
Utah	0.245	0.245
Vermont	0.200	0.250
Virginia	0.175	0.160
Washington	0.230	0.230
West Virginia	0.205	0.205

	Gasoline	Diesel
Wisconsin	0.273	0.273
Wyoming	0.140	0.140
Average	\$0.197	\$0.198

**MOTOR VEHICLE REGISTRATION FEES**

The following schedule compares annual motor vehicle registration fees for selected states:

	Motor Vehicle Registration Fees <sup>1</sup>			
	Passenger Vehicle	Pickup	Farm Truck	Tractor
Minnesota	\$198	\$198	\$322	\$1,760
Montana	292	347	691	1,664
Nebraska	308	338	814	2,024
North Dakota	72	60	209	1,038
South Dakota	42	55	133	1,457
Wyoming	292	290	786	2,000
Regional average	\$201	\$215	\$493	\$1,657

<sup>1</sup> Motor vehicle registration fees are calculated on a 1999 model year vehicle being registered for the second year in calendar year 2000. Vehicle values and weights are for typical vehicles in each category.

**OTHER REVENUE SOURCES**

States generate additional funding for highways from a variety of other sources. Appendix A is a Federal Highway Administration schedule identifying major sources of state revenue which are available for highway purposes in addition to highway user revenue (motor fuels taxes and motor vehicle registration fees). The following schedule summarizes select revenue sources included in Appendix A which are used for highway purposes in other states in addition to fuels taxes and registration fees:

Revenue Type	State(s)
Sales tax - General	Arizona, Illinois, Kansas, Nevada, Utah, Virginia
Motor vehicle excise tax	Iowa, Kansas, Michigan, Missouri, Nebraska, North Carolina, South Dakota
Motor fuels sales tax	California, Georgia, Michigan
Auto parts sales tax	Michigan
Gaming tax	Colorado
Rental car tax	Florida, Hawaii, Iowa, South Dakota, Utah
Severance tax	Arkansas, Kentucky, New Mexico, Oklahoma, Tennessee, Wyoming
Corporate income tax	Maryland

Revenue Type	State(s)
Lubricating oil tax	Alabama, Mississippi, Texas
Contractor tax	Mississippi

### ALTERNATIVE REVENUE SOURCES

Some states have reviewed alternative transportation revenue sources. Appendix B is an issue paper prepared by the Florida Department of Transportation providing information on alternative transportation revenue sources. Alternative revenue sources identified in the issue paper include:

1. Vehicle miles of travel (VMT) fees - An annual assessment based on the number of miles traveled in the preceding year.
2. Weight distance fees - An annual assessment based on factors, including miles driven and vehicle weight.
3. New vehicle or auto parts sales tax - Taxes on new or used vehicle purchases or on sale of automobile parts.
4. Emissions fees - An annual fee based on a vehicle's emissions characteristics and on the annual number of miles traveled.

5. Highway right of way lease income - Collections from leases of highway right of way for fiber optic cables, cell phone towers, or other purposes.
6. Road branding fee - A fee charged for naming a segment of a highway for an individual or business.

### DEBT FINANCING

Congress approved the National Highway System Designation Act of 1995, which makes debt financing costs relating to federal aid highway projects eligible for federal reimbursement. Several states are utilizing this authority by issuing bonds to finance federal aid highway projects. These types of bonds are called GARVEE (Grant Anticipation Revenue Vehicles) bonds. Prior to passage of this Act, federal highway funds could not be used to pay interest costs. Payments of principal and interest on the bonds are paid at the same matching percentage as the highway project matching percentage that was financed by the bonds (80 percent federal, 20 percent state for most state highways).

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