



# State & Local Funding Update

**Carolyn Kramer Simons**  
Senior Director, State Funding Policy  
ARTBA-TIAC

Arizona Rural Transportation Summit  
October 17, 2024

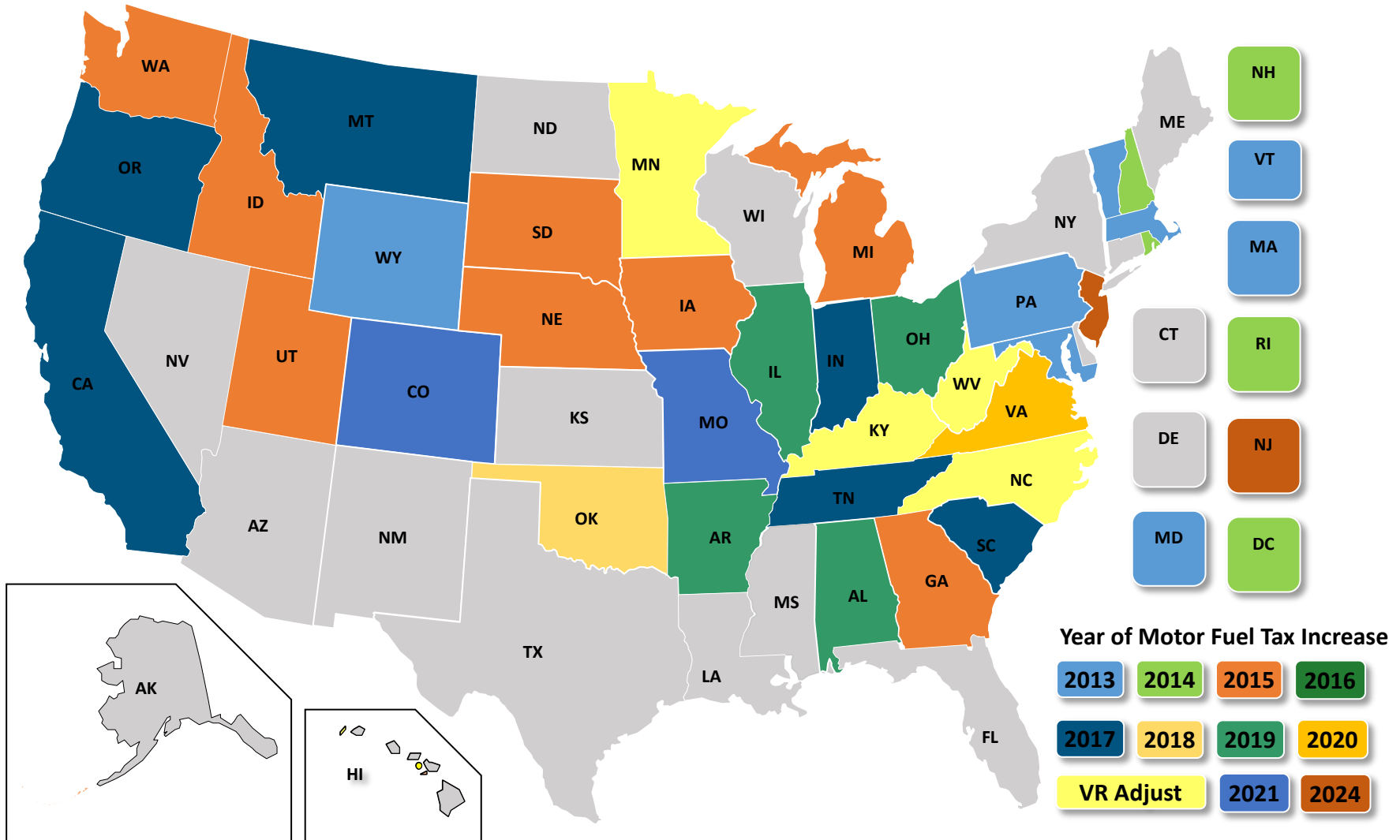
[transportationinvestment.org](https://transportationinvestment.org)



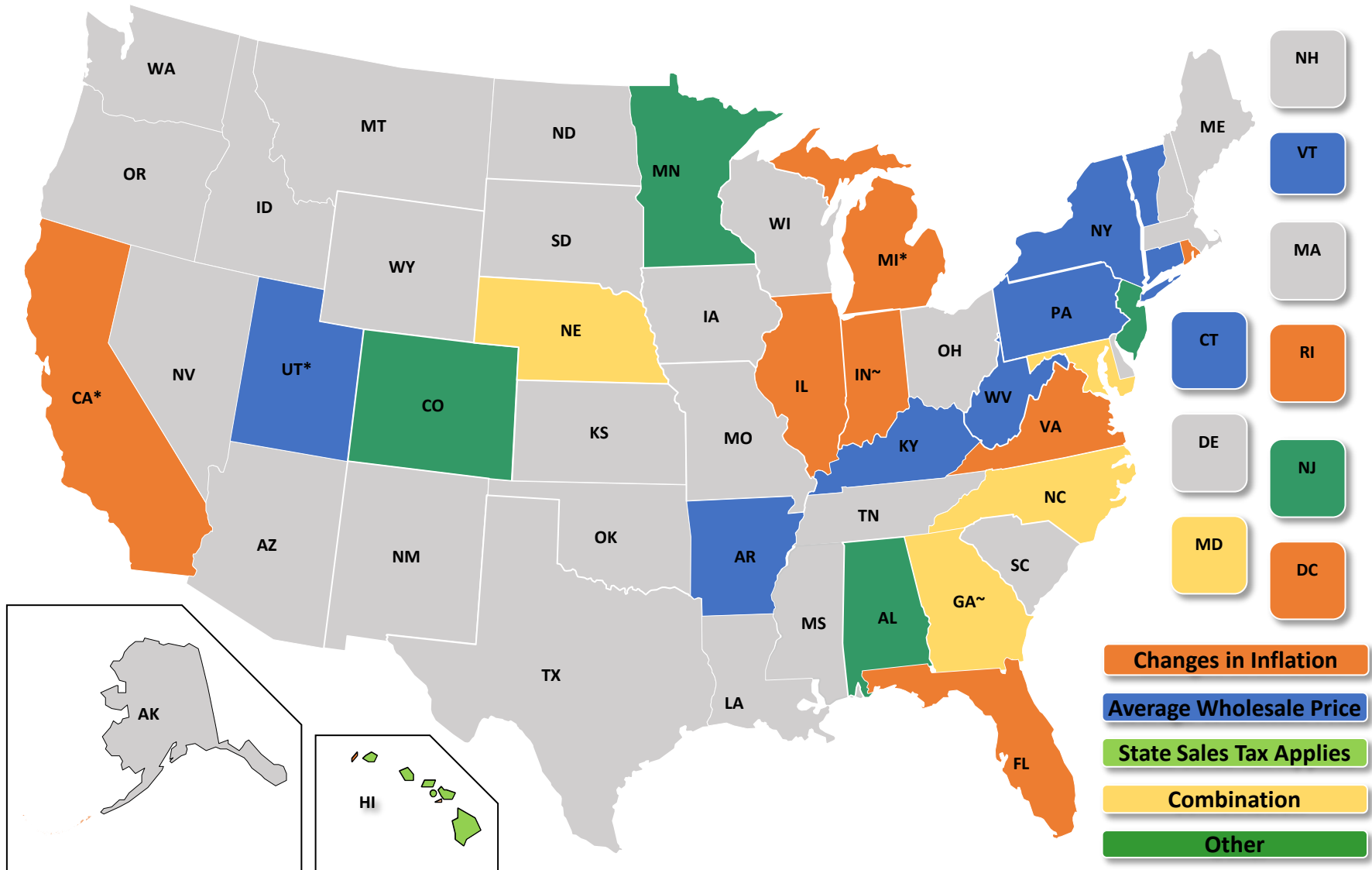
**Transportation  
Investment  
Advocacy Center**

**American Road & Transportation Builders Association**

# 34 States Approved/Adjusted State Motor Fuel Tax Increases 2013-2024



# 24 States + DC Use Variable-Rate State Gas Taxes



Source: TIAC, "Variable-Rate State Gas Taxes," Feb. 2020

# Variable-Rate State Gas Taxes - Types



**CONSUMER PRICE INDEX**  
**(10 STATES)**



**AVERAGE WHOLESALE PRICE OF FUEL**  
**(10 STATES + DC)**



**MEETING STATE'S TRANSPORTATION FUND NEEDS**  
**(2 STATES)**



**CHANGES IN POPULATION**  
**(1 STATE)**



**CORPORATE AVERAGE FUEL ECONOMY**  
**(1 STATE)**

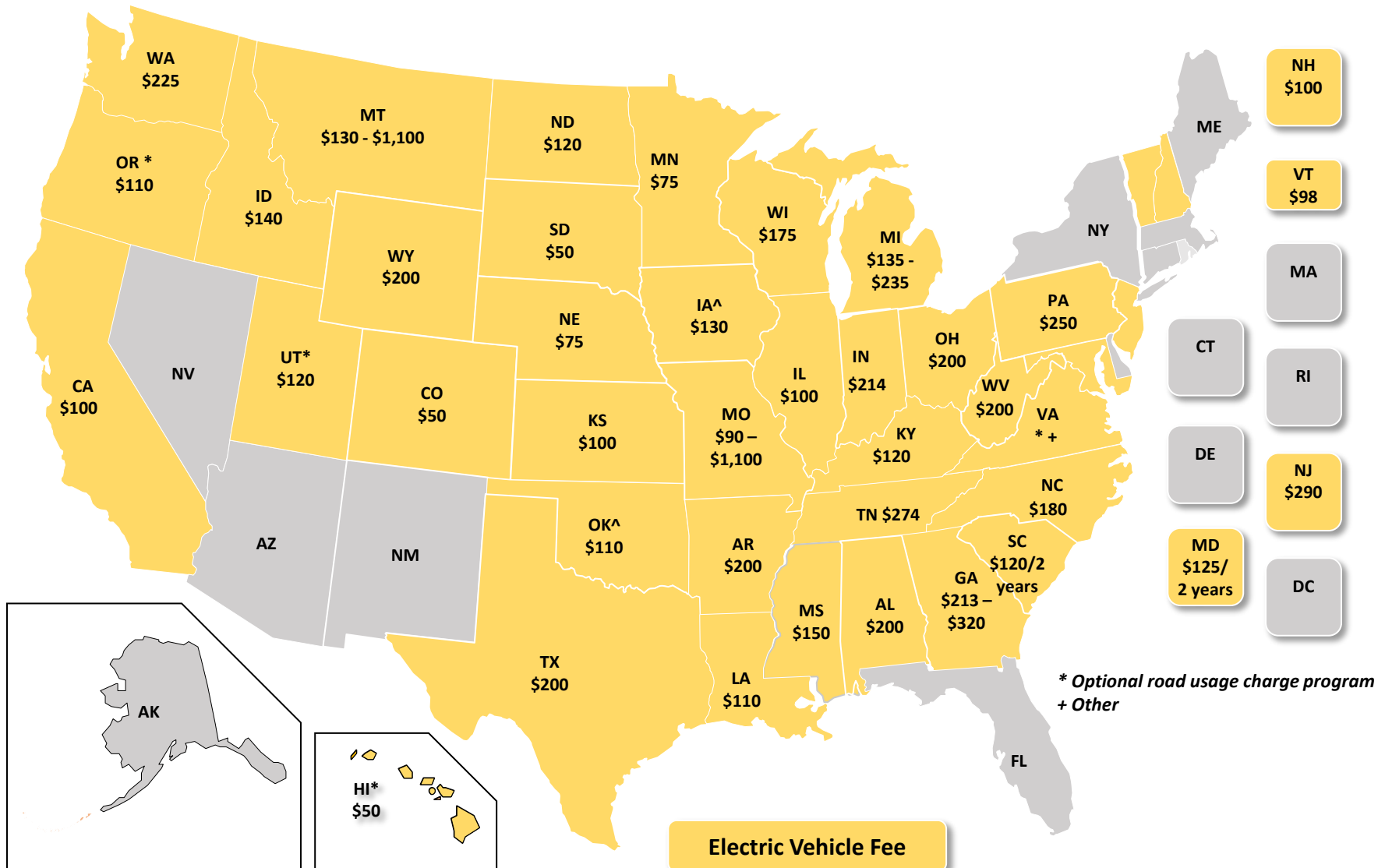


**NATIONAL/LOCAL HIGHWAY CONSTRUCTION COST INDEX**  
**(3 STATES)**



**GENERAL SALES TAX ON FUEL PURCHASES**  
**(4 STATES)**

# 39 States Have an Electric Vehicle Registration Fee



Source: TIAC, "State Electric Vehicle Fees," July 2024

# Electric Vehicle Registration Fees - Overview

**39**

States have an electric vehicle fee.

**\$50 – \$290**

Range of fees for passenger vehicles

**11**

States index fees.

**4**

States with sliding scale fees based on vehicle weight/class/use.

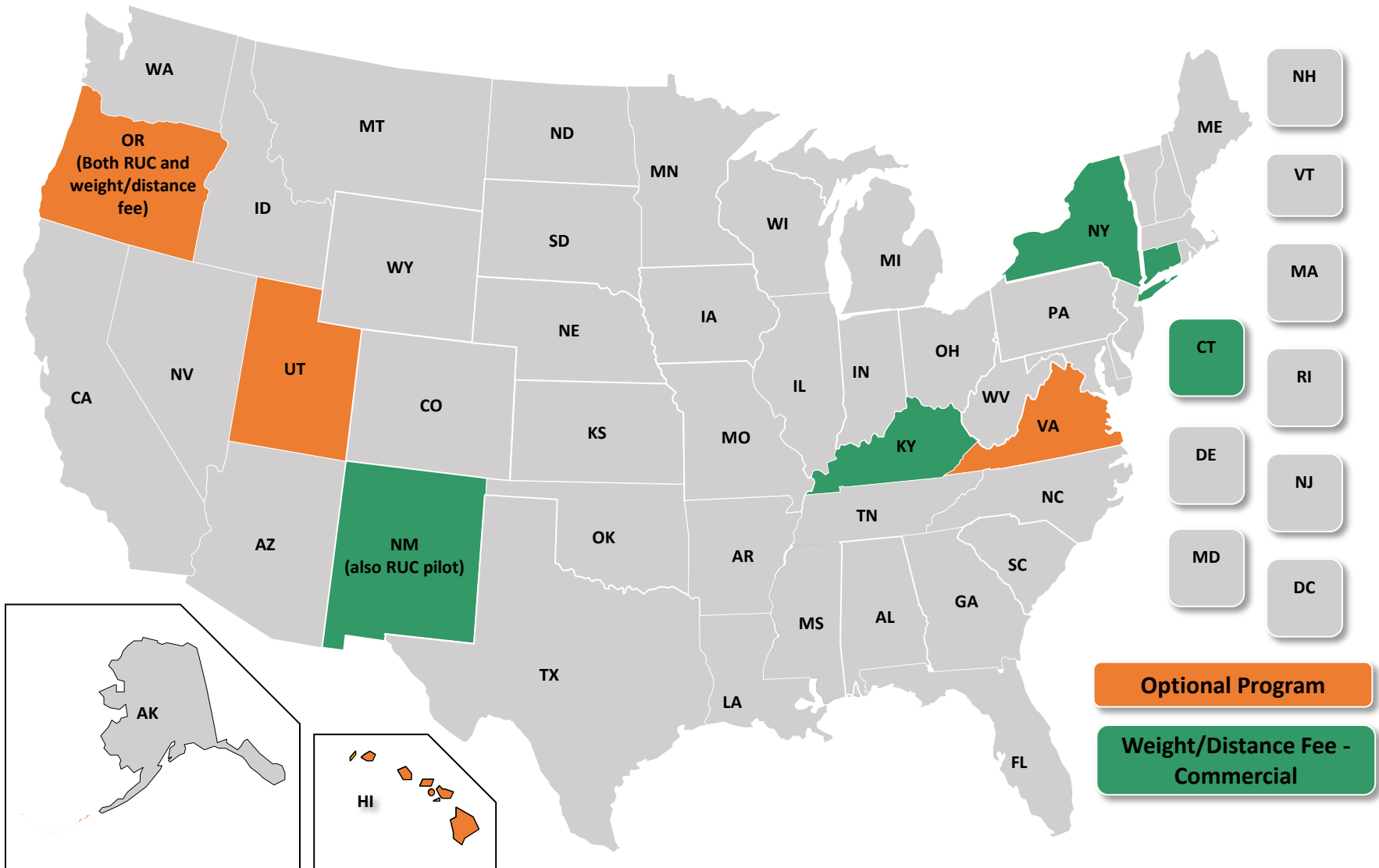
**19**

States have plug-in hybrid vehicle fees.

## Most annual registration fees

- South Carolina - biennial fee
- Virginia – Highway Use Fee OR Mileage Choice program
- RUC optional: VA, OR, UT, HI
- Annual fee, multi-year registration: Texas, New Jersey, Maryland

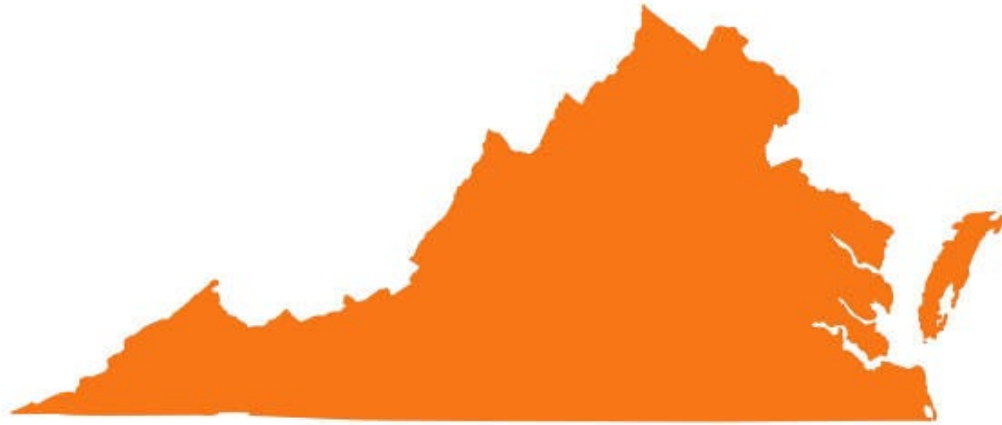
# 4 States Have a Road Usage Charge Program



Source: TIAC, "ROAD USAGE CHARGE MODEL LANGUAGE," July 2022 | Eastern Transportation Coalition "Compendium of Revenue Alternatives in Response to the Expansion of Hybrid and Electric Vehicles," 2024



# Virginia's Fuel-Efficient Vehicle Fee (HUF)



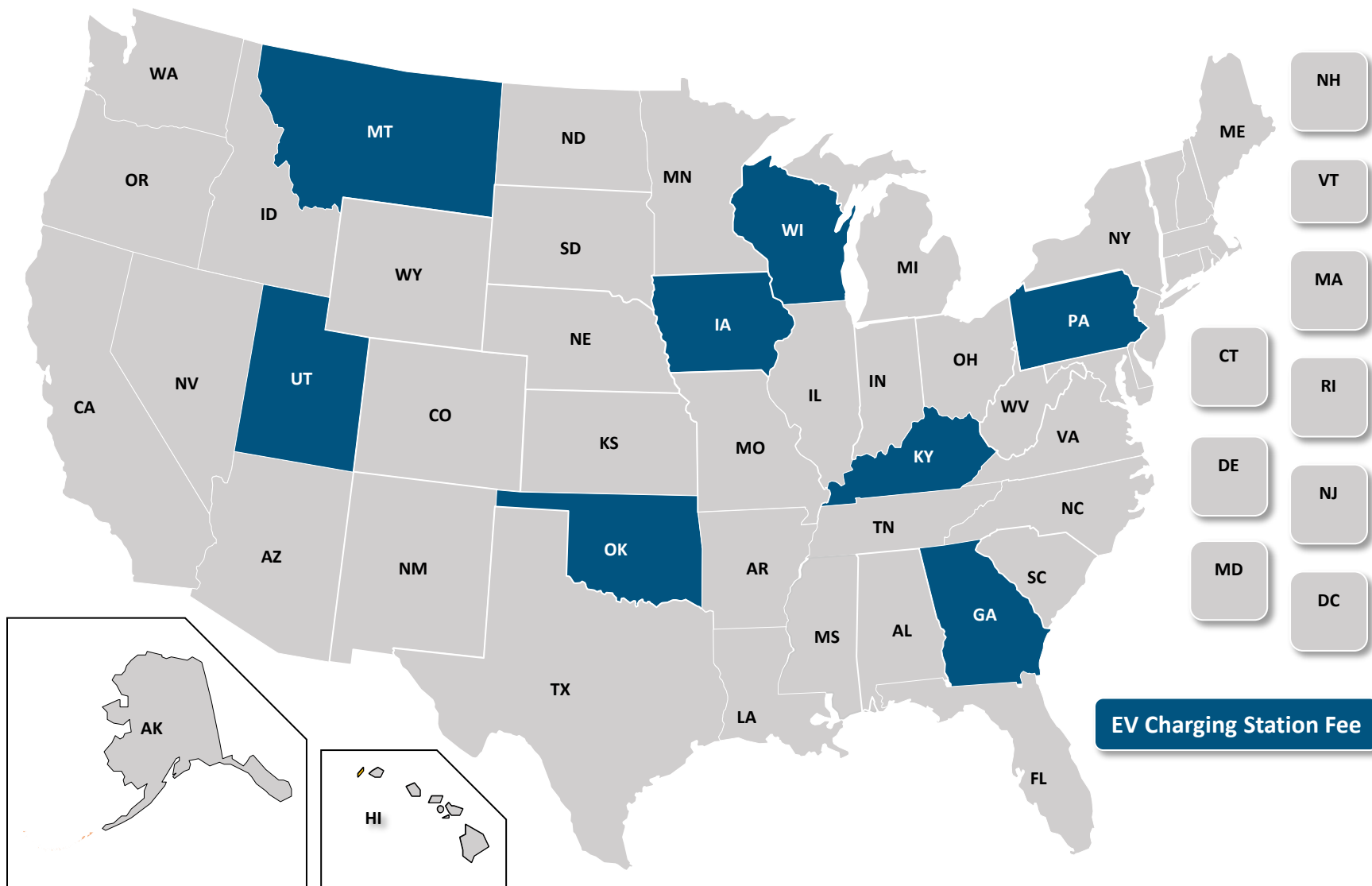
**Highway Use Fee** =  $[(11,600 \text{ average miles traveled} * \text{fuels tax rate}) / 23.7] - (11,600 \text{ average miles traveled} * \text{fuels tax rate}) / \text{vehicle's MPG rating}] * .85$

## Who pays:

- Fuel-efficient vehicles (vehicle with a combined fuel economy of 25 miles per gallon [MPG] or greater).
- Vehicles produced in a year in which the average combined MPG rating for all vehicles produced in that year is 25 MPG or greater.

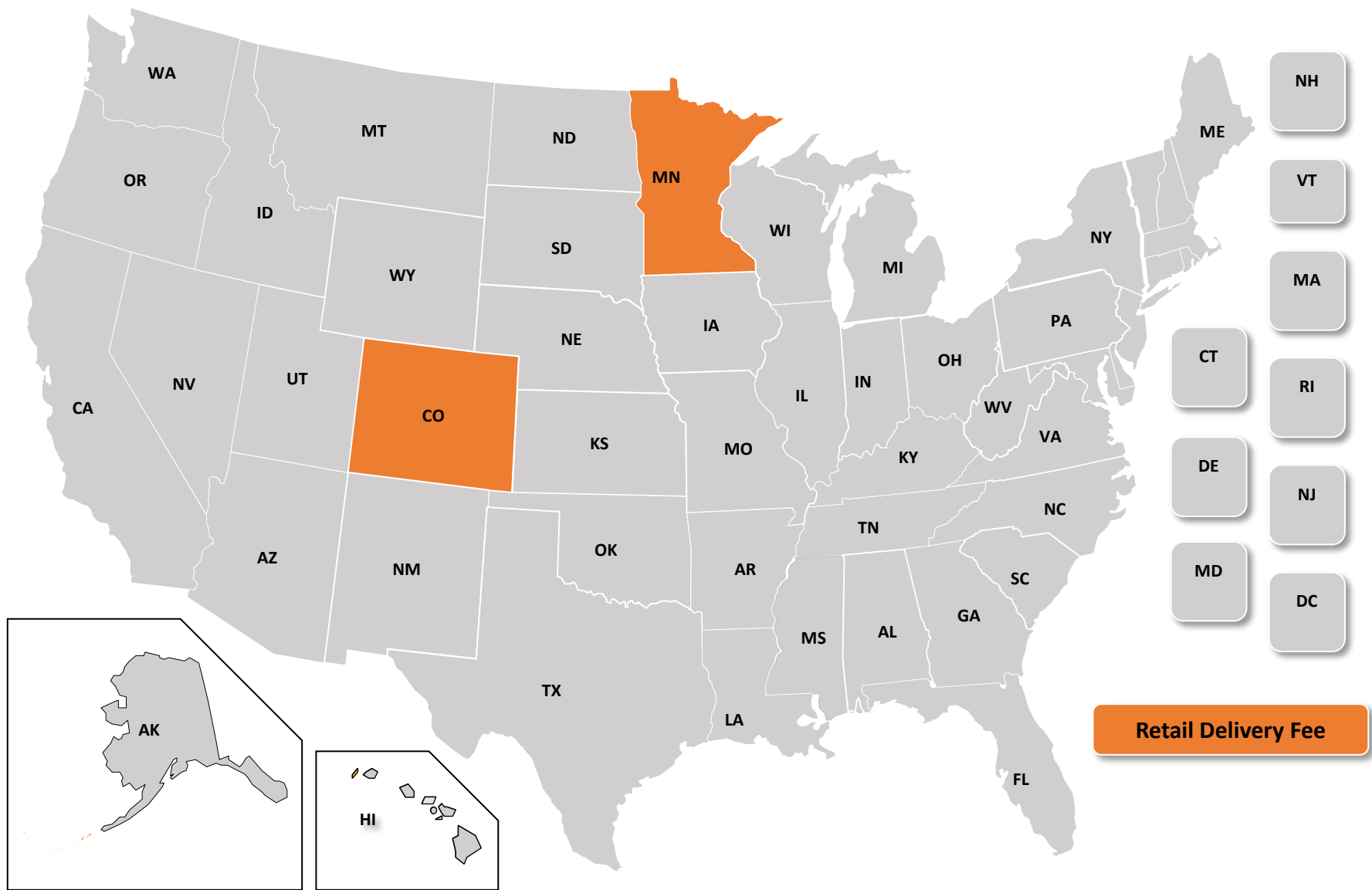
*Source: TIAC, "FUEL EFFICIENT VEHICLES: VIRGINIA'S HIGHWAY USE FEE," Feb. 2024*

# 8 States Have Enacted an EV Charging Station Tax or Fee



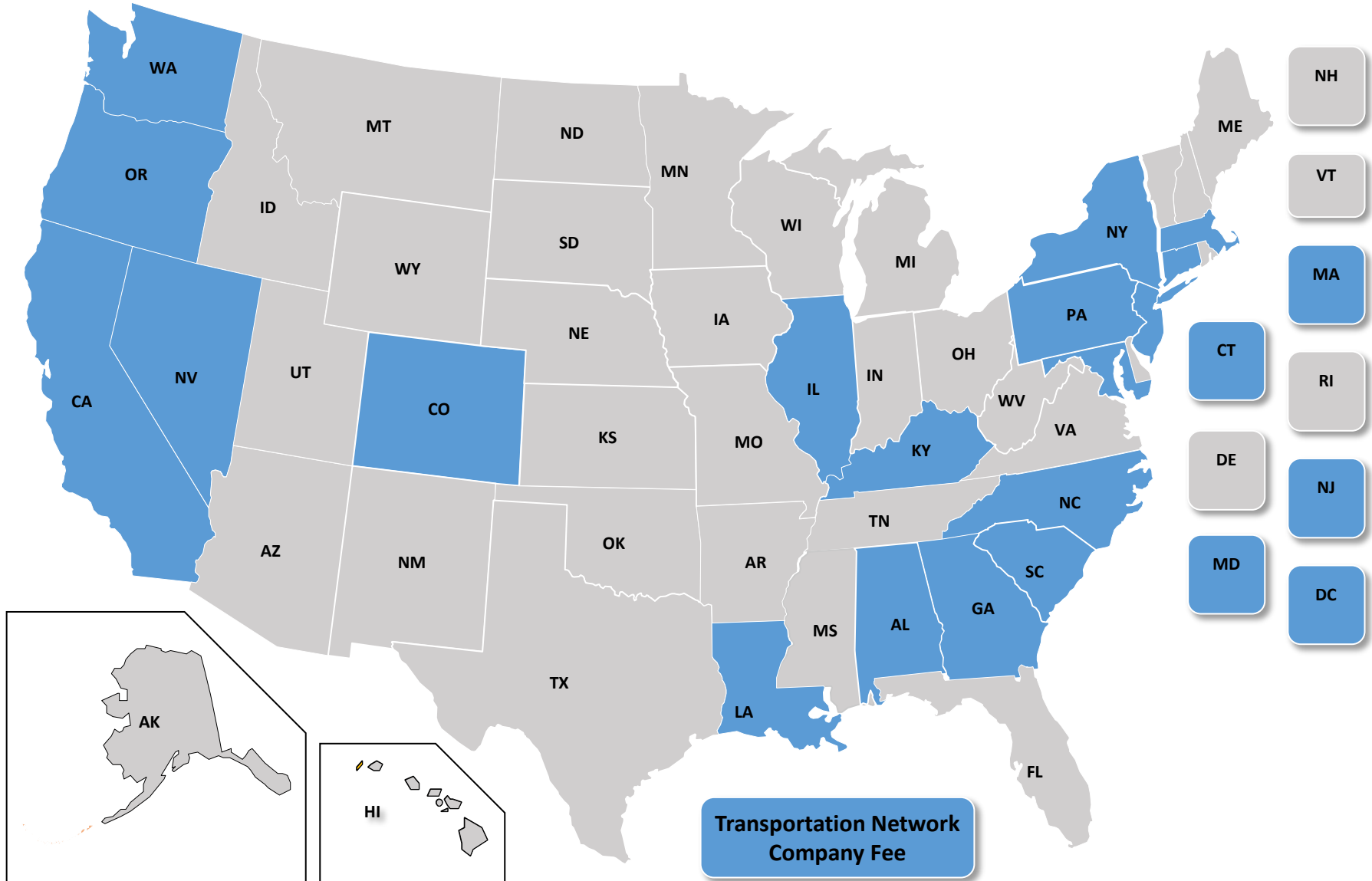
Source: TIAC, "ELECTRIC VEHICLE EXCISE TAX MODEL LANGUAGE," April 2024

# 2 States Have Enacted a Retail Delivery Fee



Source: TIAC, "DELIVERY FEE MODEL LANGUAGE," Feb 2023

# 18 States + DC Have Enacted a State or Local TNC Fee



**Note:** In addition to the states above, four states—Hawaii, Rhode Island, South Dakota, and Wyoming—have ruled TNCs are subject to state sales tax.

**Source:** ARTBA-TIAC, TRANSPORTATION NETWORK COMPANY FEES, February 2024

# What impacts transportation revenue?



RISING ADOPTION OF  
ELECTRIC AND HYBRID  
ELECTRIC VEHICLES.



INCREASING FUEL  
EFFICIENCY.



RISING  
CONSTRUCTION  
COSTS.



EROSION OF FLAT TAX  
BUYING POWER.

# Updated NHTSA CAFE Standards – June 2024

## Parameters for the Passenger Automobile Fuel Economy Targets

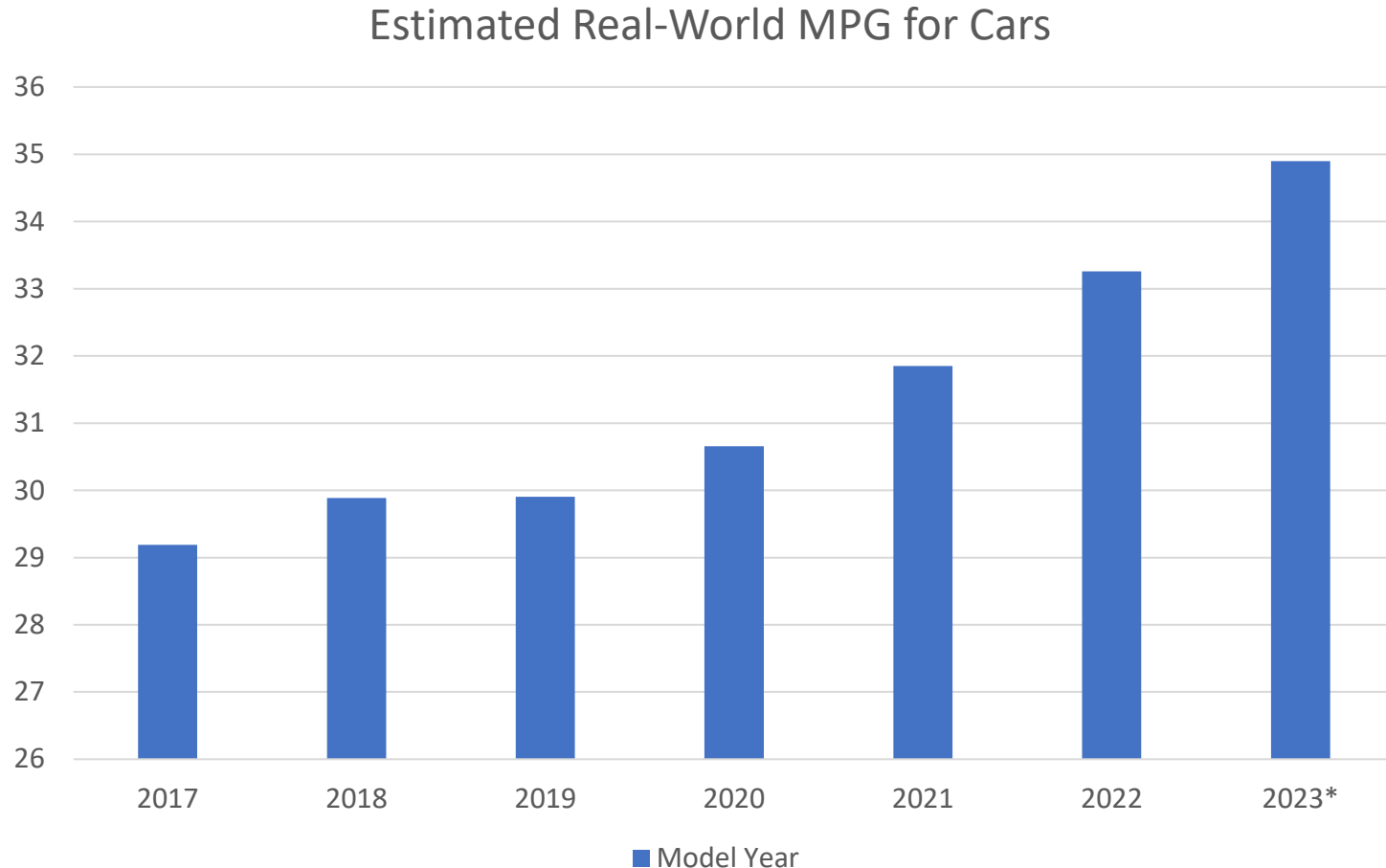
Model Year	MPG
2017	32.65
2018	33.84
2019	35.07
2020	36.47
2021	37.02

Model Year	MPG
2022	37.59
2023	38.16
2024	41.48
2025	45.08
2026	50.09

Model Year	MPG
<b>2027</b>	<b>51.12</b>
<b>2028</b>	<b>52.16</b>
<b>2029</b>	<b>53.22</b>
<b>2030</b>	<b>54.31</b>
<b>2031</b>	<b>55.42</b>

Source: National Highway Traffic Safety Administration, “Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks for Model Years 2027 and Beyond and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans for Model Years 2030 and Beyond”, Final Rule June 2024. Pg. 980

# EPA: Real-World Vehicle Fuel Economy



\* 2023 Preliminary Data

Source: Environmental Protection Agency Automotive Trends Data, Estimated Real-World Fuel Economy, CO2 Emissions, and Vehicle Attributes. Accessed Aug. 23, 2024.

# Building A Plan

**Short Term**

**Midterm**

**Long-term**





**Carolyn Kramer Simons**

Senior Director, State Funding Policy

American Road & Transportation Builders Association

[ckramer@artba.org](mailto:ckramer@artba.org)

202-289-4434