



State & Local Funding Update

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transportationinvestment.org



**Transportation
Investment
Advocacy Center**

American Road & Transportation Builders Association

What impacts transportation revenue?



RISING ADOPTION OF
ELECTRIC AND HYBRID
ELECTRIC VEHICLES.



INCREASING FUEL
EFFICIENCY.

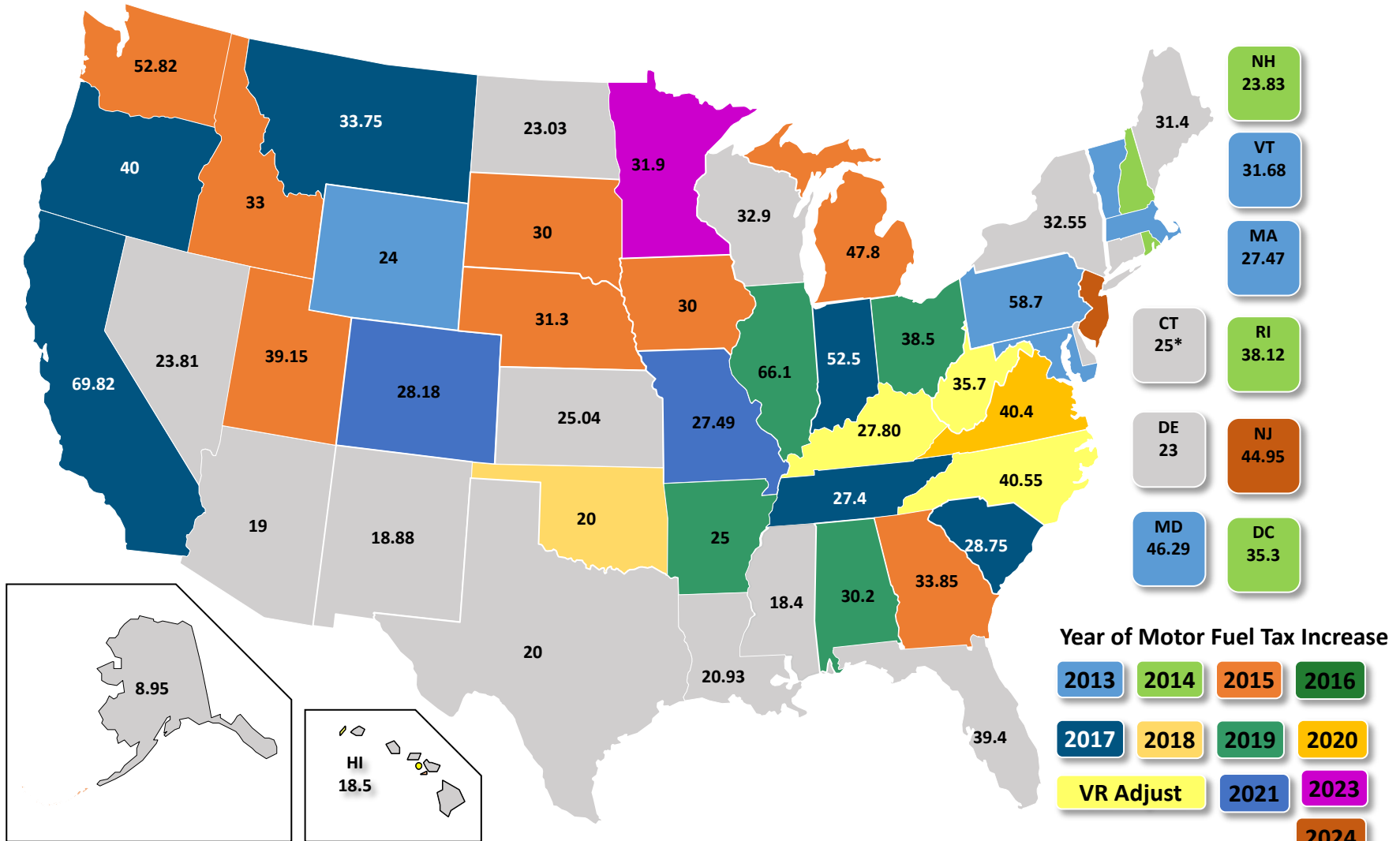


RISING
CONSTRUCTION
COSTS.



EROSION OF FLAT TAX
BUYING POWER.

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



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)

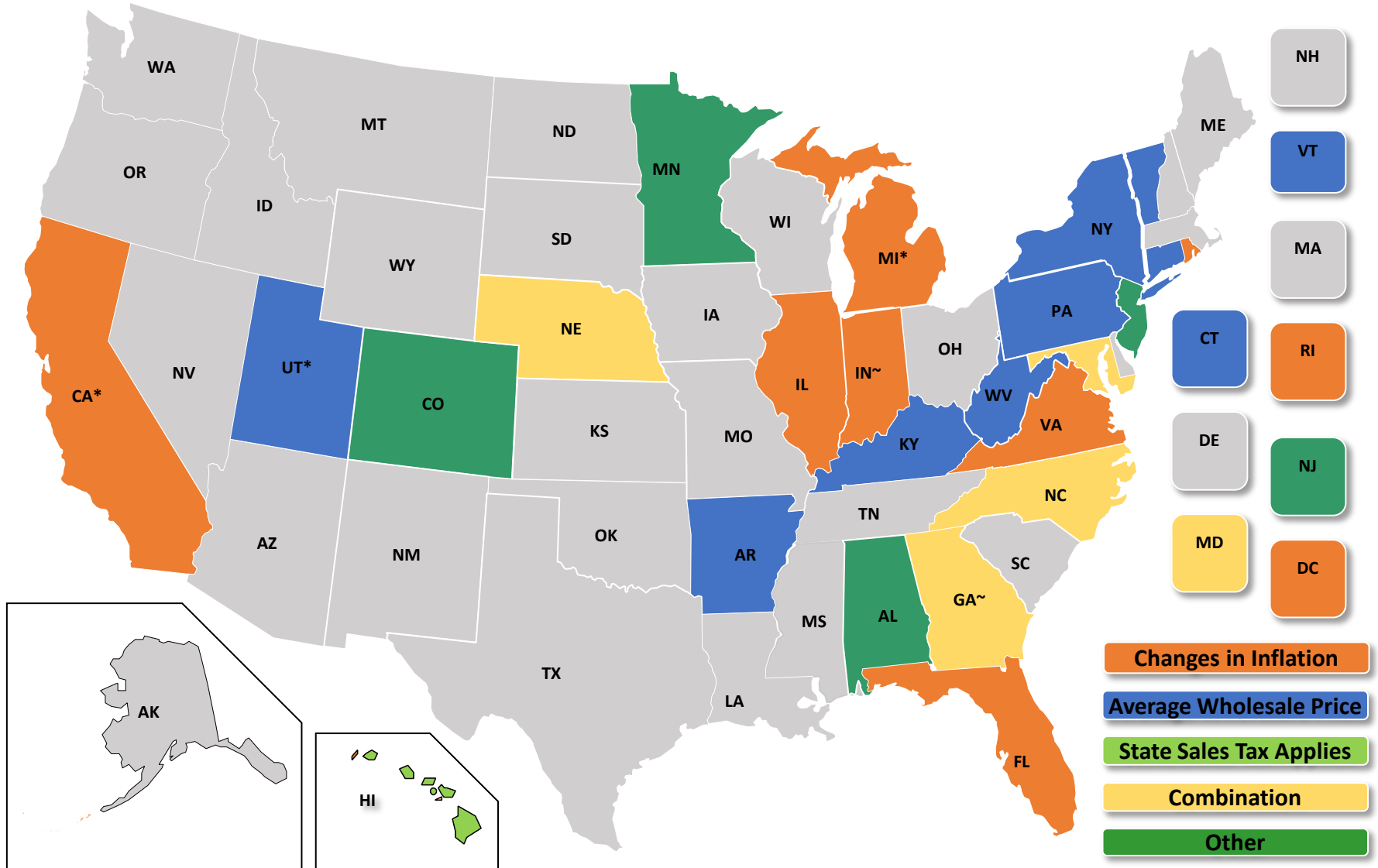


NATIONAL/LOCAL HIGHWAY CONSTRUCTION COST INDEX
(3 STATES)



GENERAL SALES TAX ON FUEL PURCHASES
(4 STATES)

24 States + DC Use Variable-Rate State Gas Taxes



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

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.

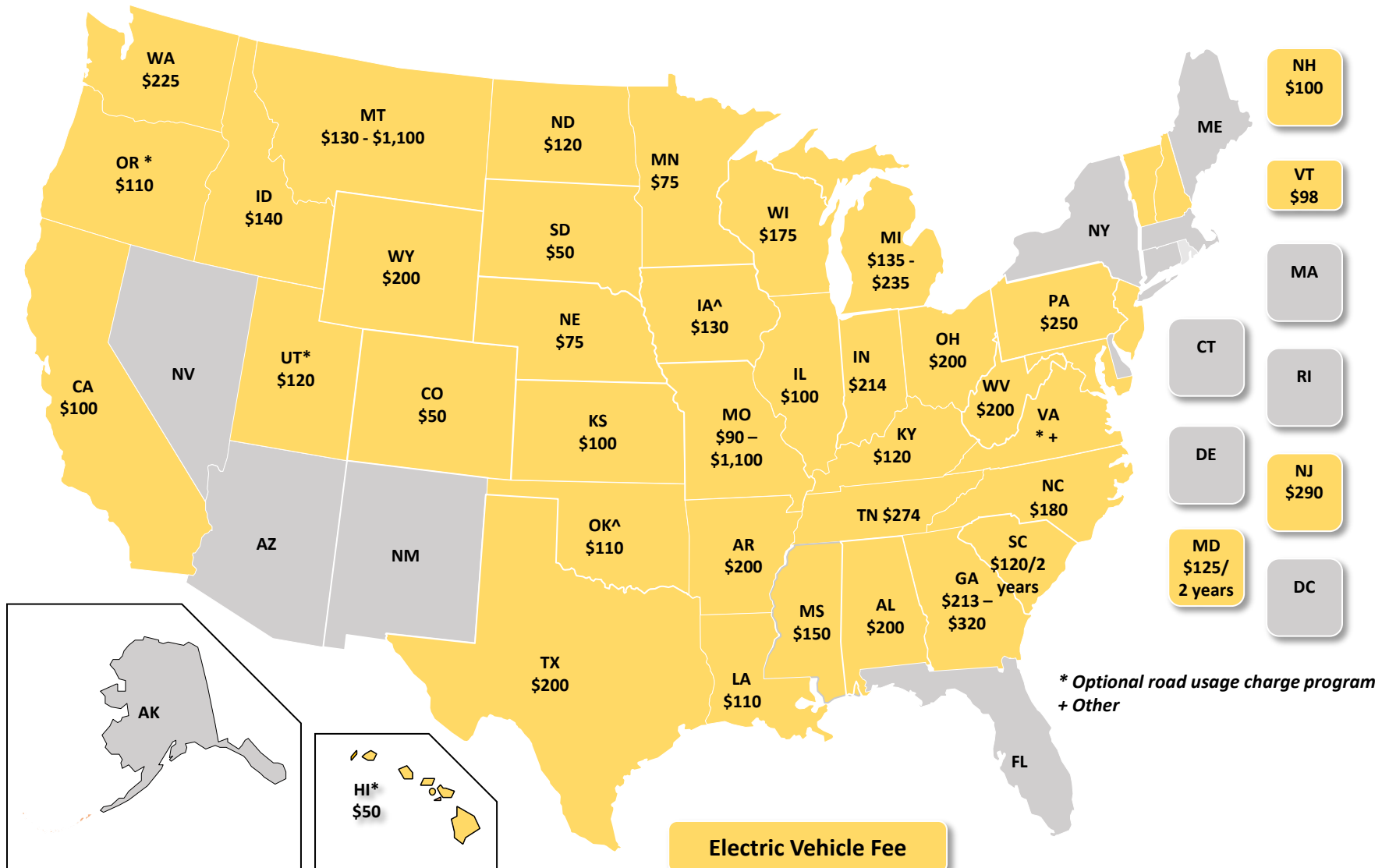
18

States have plug-in hybrid vehicle fees.

Most annual registration fees

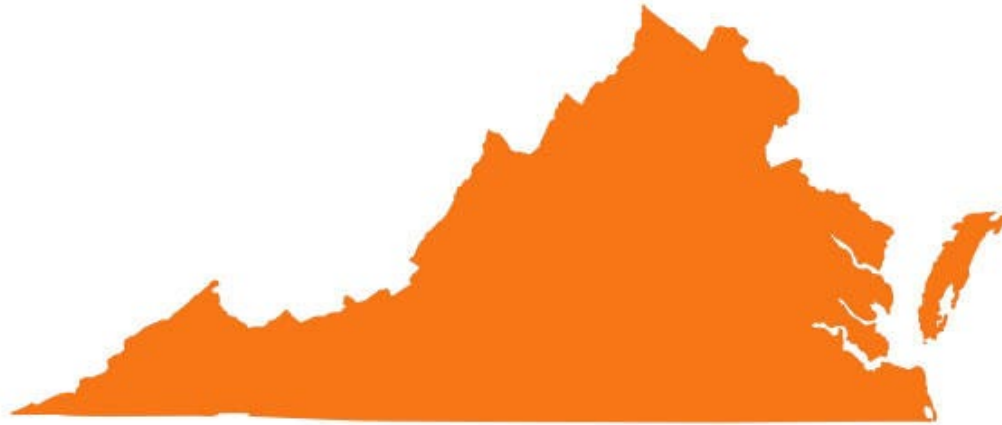
- South Carolina - biennial fee
- Virginia – Highway Use Fee OR Mileage Choice program
- Annual fee, collected multiple years at once: Texas, New Jersey, Maryland

39 States Have an Electric Vehicle Registration Fee



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

Virginia's Fuel-Efficient Vehicle Fee (HUF)



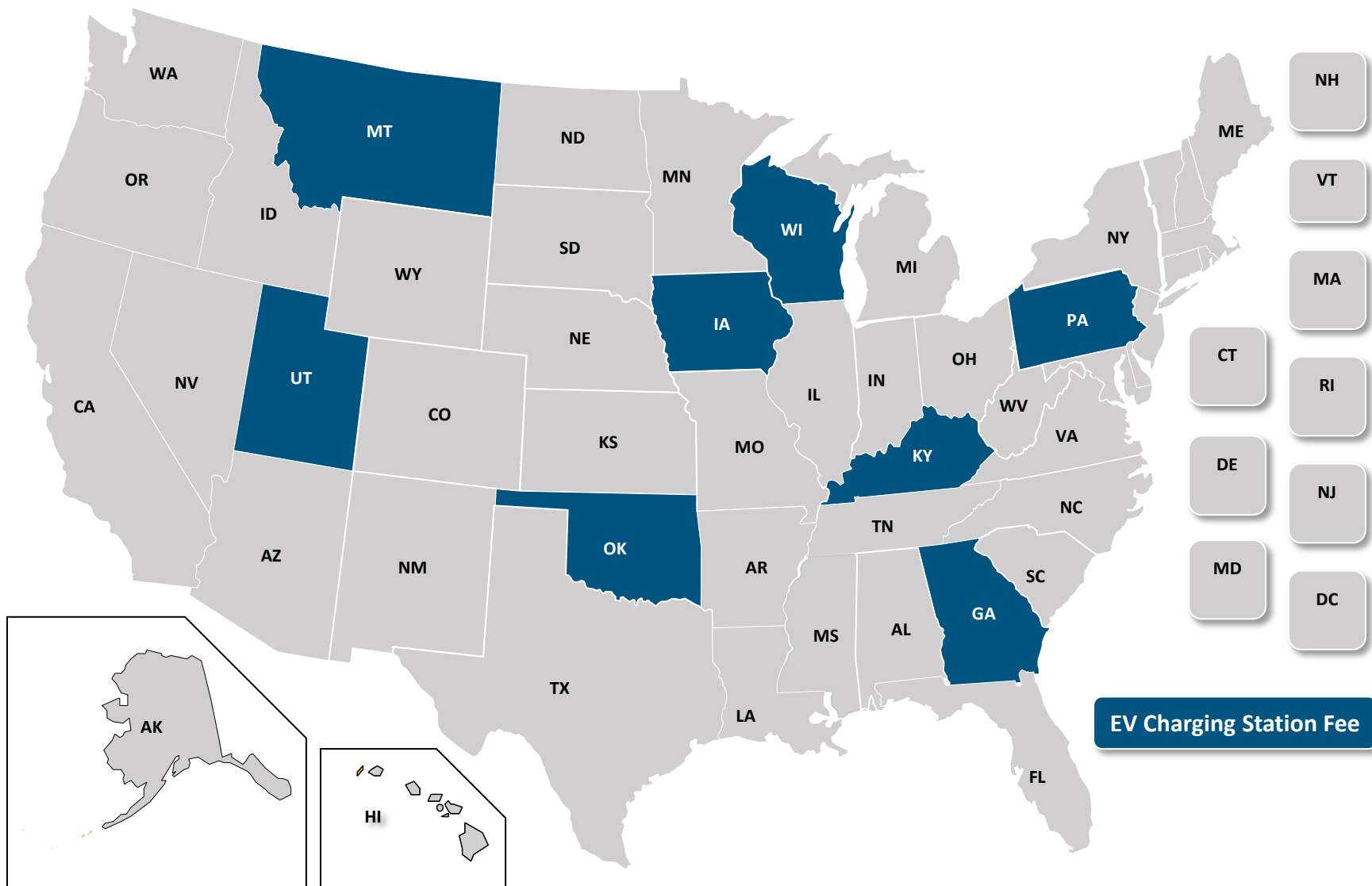
Highway Use Fee = $[(11,600 \text{ average miles traveled} * \text{fuels tax rate}) / 23.7] - (11,600 \text{ average miles traveled} * \text{fuels tax rate}) / \text{vehicle's MPG rating}] * .85$

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

Other Recurring Revenues

TNC Fees

18 states + DC

Retail Delivery Fees

2 states

Tolling

19 states

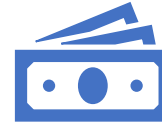
“Sin” Taxes

Local or Regional Taxes

Vehicle Sales Taxes

19 states

2025 Trend Predictions



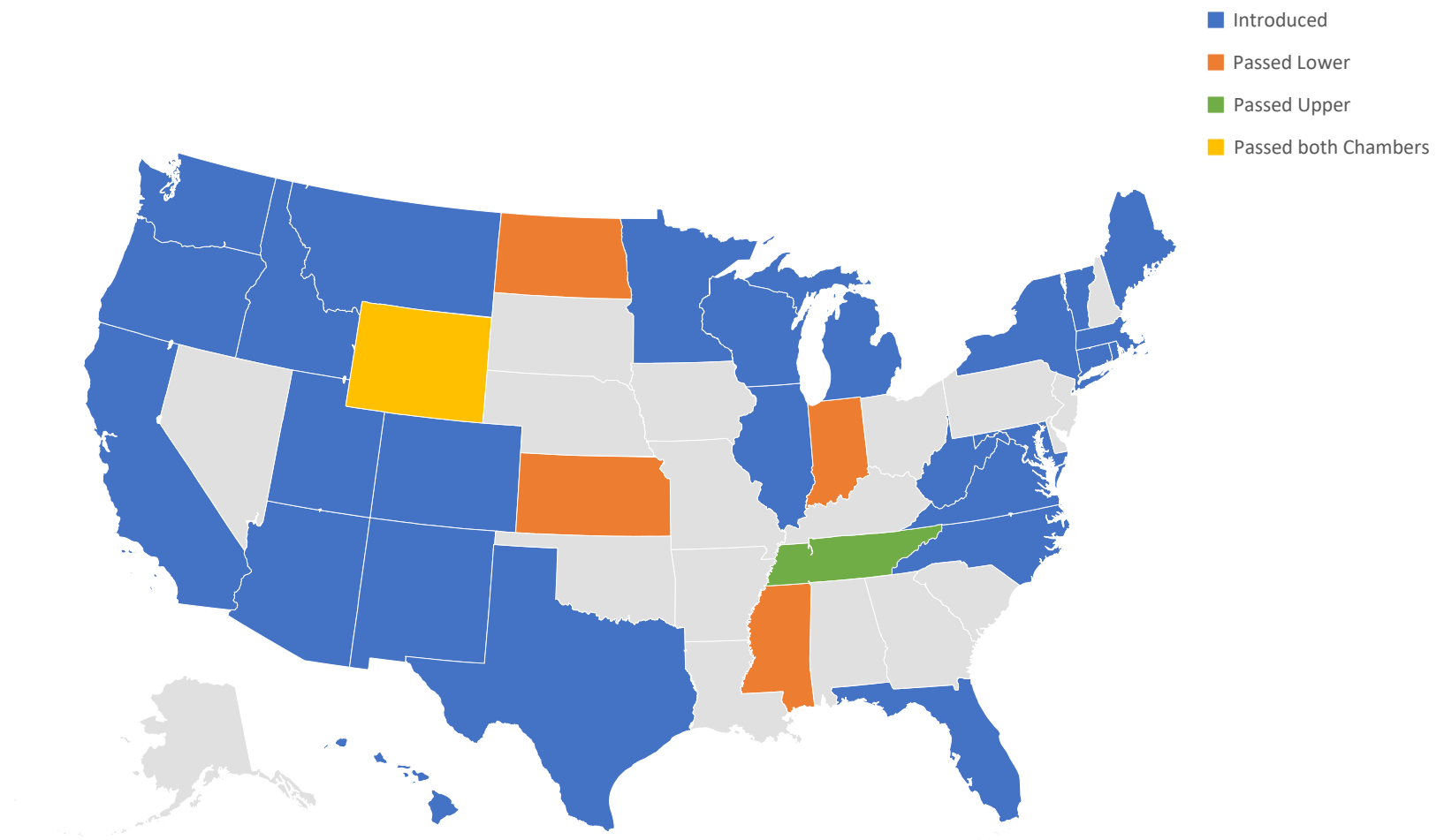
“Cleaning up” related taxes and fees

Diversifying revenue streams

Long-term recurring revenue

Electric vehicle-related taxes and fees

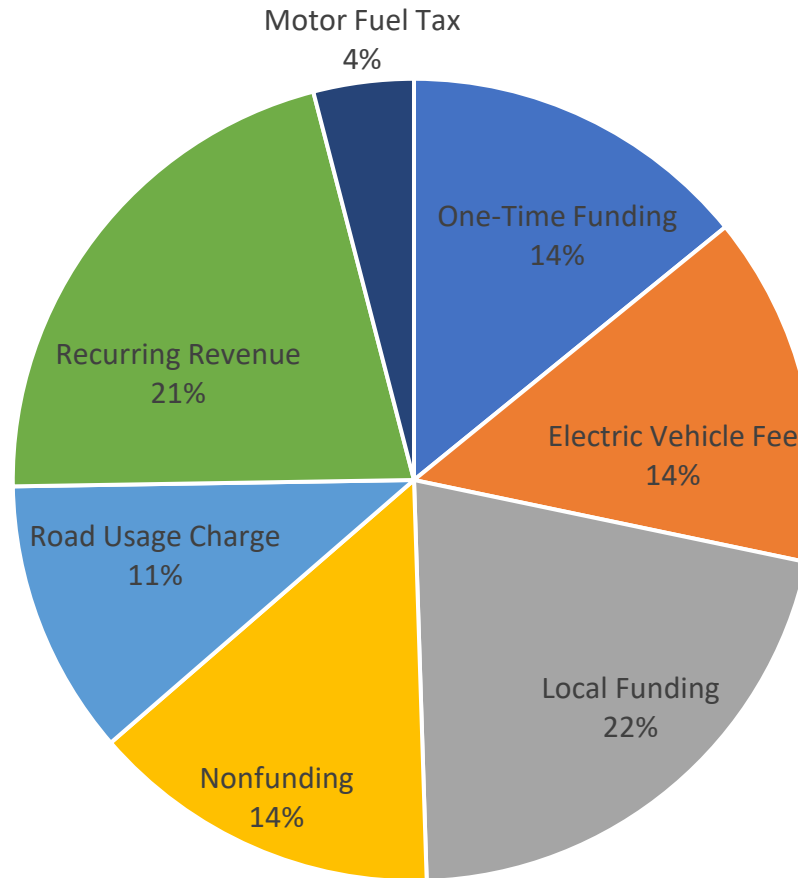
2025: 95 Bills Introduced in 32 States To-Date



Source: ARTBA's Transportation Investment Advocacy Center February 2025 *State Funding Initiatives Report*.

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