

Prawer, Samuel

From: Jonathon Bates <jonathon.bates@ncsl.org>
Sent: Friday, October 18, 2019 1:37 PM
To: McLean, Andrew; Diamond, Bill; Prawer, Samuel
Cc: Douglas Shinkle
Subject: NCSL Follow-Up: Oct. 1 Blue Ribbon Commission
Attachments: NCSL Request - Fuel Taxes, Structure and Form by State.pdf; NCSL Request - Fuel Tax Implementation (Virginia).pdf; NCSL Request - Fuel Taxes and Transit Funding.pdf; NCSL Request - Enhanced Registration Fees for Passenger Vehicles.pdf; NCSL Request - Dedicated Sales Taxes for Transportation.pdf

This message originates from outside the Maine Legislature.

Dear Representative McLean and Senator Diamond,

Thank you for inviting the National Conference of State Legislatures (NCSL) to present on state transportation funding trends at the October 1, 2019, Blue Ribbon Commission to Study and Recommend Funding Solutions for the State's Transportation Systems ("Commission").

During the meeting, several questions were asked of NCSL to which more detailed, written responses were requested by topic. Accordingly, state policy research and other relevant information is provided on:

- Fuel Taxes, Structure and Form.
- Fuel Tax Implementation in Virginia.
- Fuel Tax Legislation and Transit Funding.
- Enhanced Registration Fees for Passenger Vehicles.
- Dedicated Sales Taxes for Transportation Funding.

Please let us know if additional information may be helpful to the Commission.

Regards,
Jonathon

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Strong States, Strong Nation

 **NCSL CAPITOL FORUM**
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To: Honorable Andrew McLean, Maine Legislature
Honorable William Diamond, Maine Legislature

From: Doug Shinkle, National Conference of State Legislatures
Jonathon Bates, National Conference of State Legislatures

Date: October 18, 2019

Subject: Fuel Taxes, Structure and Form by State

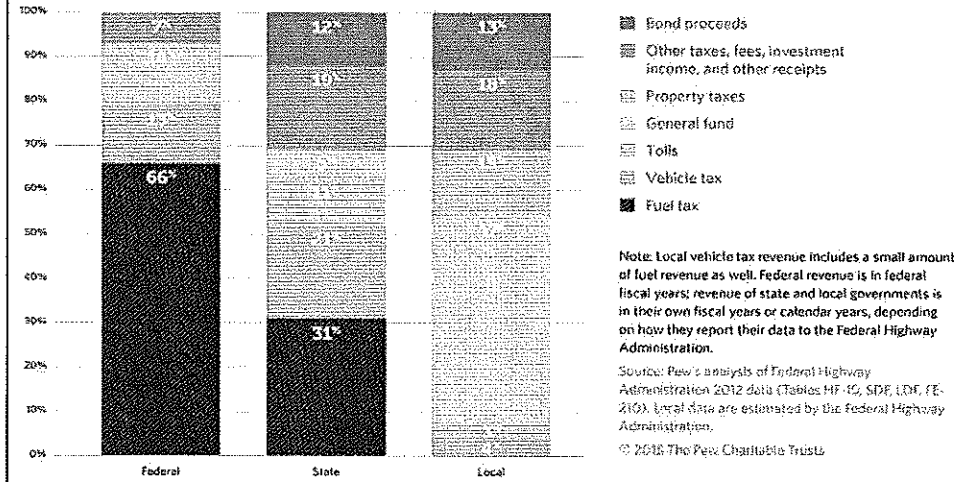
Fuel Taxes, Structure and Form

States continue to rely heavily on gas taxes to pay for transportation projects. According to an analysis by the Pew Charitable Trusts (2015), gas taxes provided approximately two-thirds of the resources to fund highways at the federal-level and nearly one-third at the state-level.

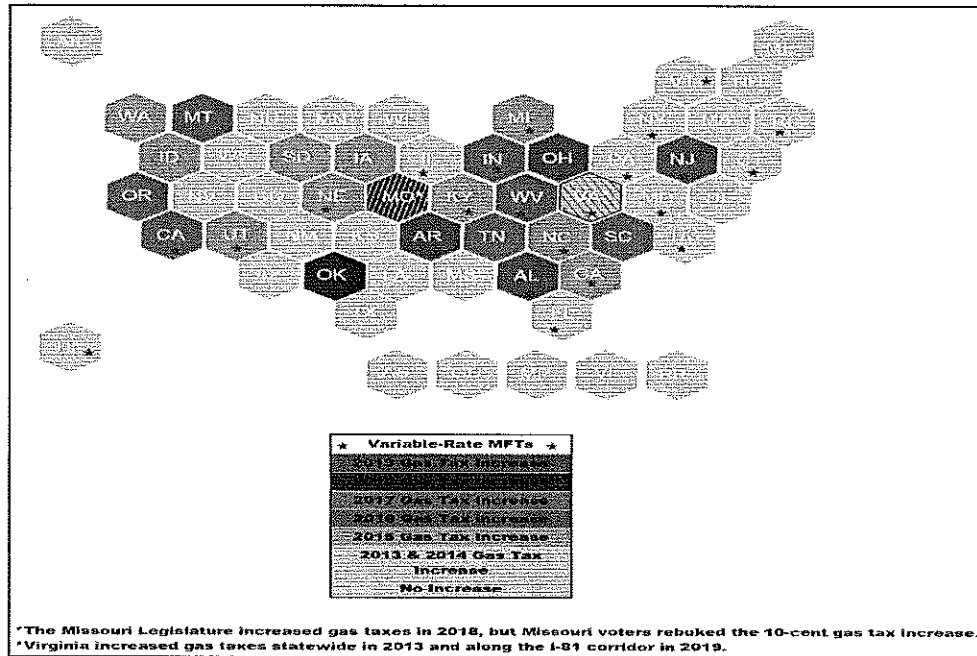
Since 2013, 30 states and the District of Columbia have increased their gas taxes, including five (5) states in 2019 – Alabama, Arkansas, Illinois, Ohio and Virginia. Additionally, 22 states have enacted variable-rate gas taxes by linking gas taxes to either inflation or prices, effectively making the purchasing power more resilient.

Federal and State Governments Rely Heavily on Gas Tax Revenue to Fund Highways

Resources used for highways, by level of government, 2012



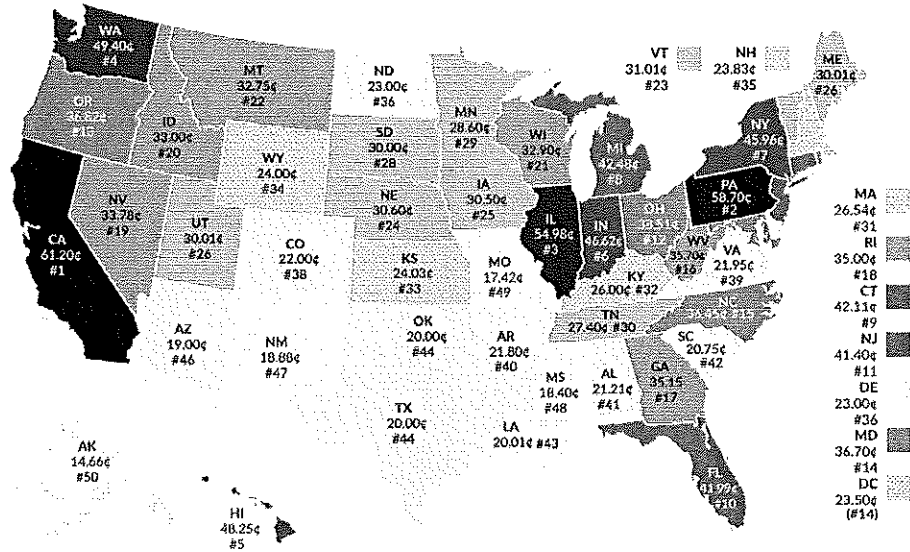
Source: The Pew Charitable Trusts (2015)



Source: NCSL (2019)

How High Are Gas Taxes in Your State?

Total State Taxes and Fees on Gasoline, as of July 2019 (cents per gallon)



Note: These rates do not include the 18.40 cent/gallon federal excise tax rate on gas. The American Petroleum Institute has developed a methodology for determining the average tax rate on a gallon of fuel. Rates may include any of the following: excise taxes, environmental fees, storage tank taxes, other fees or taxes, and general sales taxes. In states where gasoline is subject to the general sales tax, or where the fuel tax is based on average sale price, the average rate determined by API is sensitive to changes in the price of gasoline. States that fully or partially apply general sales taxes to gasoline are California, Connecticut, Georgia, Illinois, Indiana, Michigan, and New York. D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.

Source: American Petroleum Institute, "State Motor Fuel Taxes by State (July 2019)"



TAX FOUNDATION

@TaxFoundation

Source: Tax Foundation (2019)



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Subject: Fuel Tax Legislation and Implementation in Virginia

Fuel Tax Implementation in Virginia

2013 Legislation

In 2013, Virginia's General Assembly enacted HB 2313, which replaced traditional/fixed-rate fuel taxes with a calculation that's based on the statewide average "wholesale price" of a gallon of fuel. The legislation defined "wholesale price" to mean the price off the rack. The "terminal rack" is the point at which fuel physically leaves a terminal for delivery by tank truck, rail car or other means of transfer. However, beginning in 2013, fuel taxes no longer use a fixed-rate model, but rather a model using a percentage basis of the statewide average wholesale price for a gallon of fuel.

The state Department of Motor Vehicles (DMV) is responsible for coming up with "average" prices. Once this is decided, state DMV uses applicable rates of 5.1 percent for gas and 6 percent for diesel. According to state DMV, rates equate to 16.2 cents per gallon for gas and 20.2 cents per gallon for diesel as of July 1, 2019. An analysis of the rates showed that state DMV based its calculations using an "average" of \$3.18 for a gallon of gas and \$3.37 for a gallon of diesel in its determination of applicable cents per gallon rates

2019 Legislation and Interstate 81

In 2019, Virginia's General Assembly enacted SB 1716, which increased gas and diesel taxes and established an I-81 Committee to prioritize and recommend various corridor improvements for final approval by the Commonwealth Transportation Board ("Board").

Gas and diesel taxes will increase by approximately 7 cents per gallon. The gas tax already increased 2.1% locally, effective July 1, 2019, in areas designated along I-81. The diesel tax will increase 2.03% statewide, effective July 1, 2021. Implementation is in addition to other taxes collected off the terminal rack and is based on the statewide average distributor price of a gallon, a calculation developed and used by state DMV for applicable rate and payment calculations. What's more, the legislation specified that fuel distributors (i.e., entities transporting fuel to retail merchants) are responsible for the payment of taxes

Generated revenues are distributed to the I-81 Improvement Fund, Northern Virginia Transportation Authority Fund and the Commonwealth Transportation Board. Furthermore, the distribution formula for revenues is based on the ratio of commercial truck miles traveled – along I-81 and in Virginia DOT's Northern Virginia District – to total vehicle miles traveled on all interstates. After allocations are made, remaining net revenues may be used by the Board for other transportation projects or operational safety improvements throughout the Commonwealth.



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To: Honorable Andrew McLean, Maine Legislature
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From: Doug Shinkle, National Conference of State Legislatures
 Jonathon Bates, National Conference of State Legislatures

Date: October 18, 2019

Subject: Fuel Tax Legislation and Transit Funding

Overview

- Since 2017, at least 3 states – California, Illinois and Tennessee– have enacted legislation increasing fuel taxes while also including provisions related to funding for public transit.
 - California increased additional sales and use taxes on diesel fuel, dedicating revenues to public transit, as well as created Improvement Fees with revenues stipulated to transit.
 - Illinois dedicated 20% of the newly created Transportation Renewal Fund, to transit.
 - Tennessee specified legislative intent for revenues increases to, *“Support local government investment in transit programs to improve regional transit services across the state.”*

State Policy Research

Fuel Tax and Transit Funding		
State	Legislation	Summary
California	<u>SB 1</u> (2017)	<ul style="list-style-type: none"> • Increases sales and use tax rates for diesel by 4%. <ul style="list-style-type: none"> ○ Dedicates attributable revenues to the 3.5% rate increase to transportation agencies for public

Fuel Tax and Transit Funding		
State	Legislation	Summary
		<p>transit purposes under the State Transit Assistance Program.</p> <ul style="list-style-type: none"> ○ The remaining 0.5% rate increase will be continuously sent to the Transportation Agency for intercity rail and commuter rail purposes. • Creates a Transportation Improvement Fee to fund the State Transit Assistance Program and the Transit and Intercity Rail Capital Program. <ul style="list-style-type: none"> ○ Restricts expenses to capital projects/services.
Illinois	<u>SB 1939</u> (2019)	<ul style="list-style-type: none"> • Increases fuel tax by 19 cents, or from 19 cents to 38 cents per gallon. <ul style="list-style-type: none"> ○ In 2020, rates will be annually adjusted to changes in the Consumer Price Index for All Urban Consumers. ○ Two additional counties, Lake and Will, may implement their own fuel tax up to 8 cents per gallon. • Creates the Transportation Renewal Fund, where fuel tax hikes are deposited, specifying: <ul style="list-style-type: none"> ○ 80% shall be used for highway maintenance and construction, as well as aviation facilities. ○ 20% shall be used for public transit. • Sets aside \$50 million for pedestrian and bicycle facilities and the conversion of abandoned railroad corridors to trails.
Tennessee	<u>SB 534</u> (2017)	<ul style="list-style-type: none"> • Increases gas tax by 6 cents per gallon and diesel tax by 10 cents per gallon over three years. • Legislative intent provided, stating that funds, <i>"Shall be used to support local government investment in transit programs to improve regional transit services across the state..."</i>



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 Jonathon Bates, National Conference of State Legislatures

Date: October 18, 2019

Subject: Enhanced Registration Fees for Passenger Vehicles

Overview

- Since 2017, at least 12 states – Arizona, California, Connecticut, Illinois, Indiana, Oregon, South Carolina, Tennessee, Utah, West Virginia, Wisconsin and Wyoming – have enacted legislation to enhance registration fees for passenger vehicles.
 - Fees range from \$5 in Connecticut, to \$15 in Indiana, to \$21.50 in West Virginia, to \$32 in Arizona and up to \$250 in South Carolina for an initial registration.
 - The typical increase was \$45 in 2019, increasing \$2 annually, to \$47 in 2020 and \$49 in 2021.

State Policy Research

Enhanced Registration Fees (Passenger Vehicles)		
State	Legislation	Summary
Arizona	<u>HB 2166</u> (2018)	• \$32 <u>Public Safety Fee</u> set by state DOT.
California	<u>SB 1</u> (2017)	• \$25 to \$175 Transportation Improvement Fee based on the value of a passenger vehicle.

**Enhanced Registration Fees
(Passenger Vehicles)**

State	Legislation	Summary
		<ul style="list-style-type: none"> Indexes a portion of registration fees to the Consumer Price Index.
Connecticut	<u>HB 7424</u> (2019)	<ul style="list-style-type: none"> \$5 registration fee increase for passenger vehicles.
Illinois	<u>SB 1939</u> (2019)	<ul style="list-style-type: none"> \$50 registration fee increase for passenger vehicles.
Indiana	<u>HB 1002</u> (2017)	<ul style="list-style-type: none"> \$15 improvement fee for passenger vehicles.
Oregon	<u>HB 2017</u> (2017)	<ul style="list-style-type: none"> \$18 registration fee for passenger vehicles achieving a rating of 0-19 MPG. \$23 registration fee for passenger vehicles achieving a rating of 20-39 MPG. \$33 registration fee for passenger vehicles achieving a rating of 40 MPG or more.
South Carolina	<u>HB 3516</u> (2017)	<ul style="list-style-type: none"> \$16 biennial registration fee increase for passenger vehicles. \$250 initial registration fee for passenger vehicles.
Tennessee	<u>HB 534</u> (2017)	<ul style="list-style-type: none"> \$5 registration fee increase for passenger vehicles.
Utah	<u>SB 136</u> (2018)	<ul style="list-style-type: none"> Registration fees increase by \$46.50 in 2019, \$69.75 in 2020 and \$93 in 2021. Indexes registration fees to the Consumer Price Index.
West Virginia	<u>SB 1006</u> (2017)	<ul style="list-style-type: none"> \$21.50 registration fee increase for passenger vehicles.
Wisconsin	<u>AB 56</u> (2019)	<ul style="list-style-type: none"> \$10 registration fee increase for passenger vehicles.
Wyoming	<u>HB 218</u> (2017)	<ul style="list-style-type: none"> \$15 registration fee increase for passenger vehicles.



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Jonathon Bates, National Conference of State Legislatures

Date: October 18, 2019

Subject: Dedicated Sales Taxes for Transportation Purposes

Overview

- At least 32 states have enacted legislation dedicating taxes derived from selling, leasing, renting or using a passenger vehicle to transportation purposes.
 - 19 states – Arizona, Arkansas, Colorado, Florida, Hawaii, Iowa, Maine, Minnesota, Montana, New York, North Carolina, Pennsylvania, Rhode Island, South Dakota, Vermont, Virginia, Washington, West Virginia and Wyoming – dedicate certain sales taxes imposed on car rentals.
 - 18 states – Connecticut, Iowa, Kansas, Kentucky, Massachusetts, Minnesota, Missouri, Nebraska, New Jersey, New Mexico, North Carolina, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Vermont, Virginia, Washington and West Virginia – dedicate certain sales taxes imposed on the purchase or lease of a vehicle.
 - 8 states – Arkansas, Kansas, Michigan, Minnesota, Pennsylvania, Texas, Virginia and Utah – dedicate a portion of their general sales taxes.
 - Arkansas and Virginia dedicate a portion of sales tax rates.
 - Michigan and Minnesota dedicate a percentage of tax revenues from the purchase of automobile parts, accessories and equipment.
 - Kansas, Michigan, Pennsylvania, Texas and Utah specify a percentage of tax revenues for transportation.
 - 2 states – Connecticut and New York – impose a tax on the gross earnings of certain companies in the transportation sector.

State Policy Research

Dedicated Sales Taxes for Transportation		
State	Statute	Summary
Arizona	<u>Ariz. Rev. Stat. § 28-5801</u>	<ul style="list-style-type: none"> • 5% surcharge applied to vehicle rentals of 180 days or less. • Surcharges collected in excess of the amount of Vehicle License Taxes paid shall be deposited using the <u>Vehicle License Tax distribution</u>. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 44.99% (Highway User Revenue Fund). ○ 24.59% (County General Funds). ○ 24.59% (City/Town General Funds). ○ 5.83% (County Transportation Purposes).
Arkansas	<u>Ark. Stat. Ann. § 26-63-302</u>	<ul style="list-style-type: none"> • 5% additional sales tax applied to vehicle rentals of 30 days or less. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 75% (Transit). ○ 25% (Education).
	<u>HJR 1018 (2019)</u>	<ul style="list-style-type: none"> • 2020 Ballot Question: Asks voters to extend/continue a \$.5-cent sales tax increase to support continuation of revenues for transportation projects, which the state has <u>estimated to produce about \$293.7 million</u>. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 70% or \$205.59 million (State Highways). ○ 15% or \$44.05 million (Counties) ○ 15% or \$44.05 million (Localities).
Colorado	<u>Colo. Rev. Stat. § 43-4-804</u>	<ul style="list-style-type: none"> • <u>\$2 daily fee</u> applied to vehicle rentals of 44 days or less. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Highway Users Tax Fund).
Connecticut	<u>Conn. Gen. Stat. Ann. § 12-408</u>	<ul style="list-style-type: none"> • 7.75% sales tax, for vehicles over \$50,000. • 6.35% sales tax, for vehicles under \$50,000. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 33% (Special Transportation Fund). ○ Effective July 1, 2020, but prior to July 1, 2021, 56% (Special Transportation Fund). ○ Effective July 1, 2021, but prior to July 1, 2022, 75% (Special Transportation Fund). ○ Effective July 1, 2022, 100% (Special Transportation Fund).
	<u>§ 13B-61A</u>	<ul style="list-style-type: none"> • <u>8.1% gross earnings tax</u> on businesses that generate revenues from selling petroleum products. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Special Transportation Fund).

Dedicated Sales Taxes for Transportation		
State	Statute	Summary
Florida	<u>Fla. Stat., Title XIV, § 212.0606</u>	<ul style="list-style-type: none"> • \$2 daily rental car surcharge applied to vehicle rentals of 30 days or less. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 80% (Transportation Trust Fund). ○ 15.75% (Tourism Promotion). ○ 4.25% (International Trade and Promotion).
Hawaii	<u>Hawaii Rev. Stat. § 18-251</u>	<ul style="list-style-type: none"> • \$3 daily surcharge applied to vehicle rentals each month of the rental, if the driver holds a Hawaii license. • \$5 daily surcharge applied to vehicle rentals each month of the rental, if the driver doesn't hold a Hawaii license. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Highway Fund).
Iowa	<u>Iowa Code, Title XIII, § 516D</u>	<ul style="list-style-type: none"> • <u>5% surcharge</u> applied to vehicle rentals of 60 days or less. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Road Use Tax Fund).
	<u>§§ 321.105A and 321.145</u>	<ul style="list-style-type: none"> • 5% "new registration fee," in lieu of sales tax, for each vehicle subject to registration. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 4% (Public Transit Assistance). ○ 96% (Road Use Tax Fund).
Kansas	<u>Kan. Stat. Ann. § 79-3620</u>	<ul style="list-style-type: none"> • 16.154% of revenues derived from vehicle and vehicle related sales is credited at the sales tax rate of 6.5% to the State Highway Fund. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (State Highway Fund).
	<u>§ 79-3710</u>	<ul style="list-style-type: none"> • 16.154% of revenues is credited at the sales tax rate of 6.5% to the State Highway Fund. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (State Highway Fund).
Kentucky	<u>Ky. Rev. Stat. § 139.779</u>	<ul style="list-style-type: none"> • 6% sales tax applied to the sale of a vehicle. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Road Fund).
Maine	<u>Me. Rev. Stat. Ann. § 23-4210B</u>	<ul style="list-style-type: none"> • <u>5.5% sales tax</u> applied to vehicle rentals in a weight classification below 26,000 pounds and rented for a period of less than one (1) year. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Multimodal Transportation Fund).
Massachusetts	<u>Mass. Gen. Laws Ann. § 29-2ZZZ</u>	<ul style="list-style-type: none"> • 6.25% sales tax applied to vehicle sales, purchases and other uses. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Commonwealth Transportation Fund).

Dedicated Sales Taxes for Transportation		
State	Statute	Summary
Michigan	<u>Mich. Comp. Laws Ann., § 205.75</u>	<ul style="list-style-type: none"> • Not less than 27.9% of 25% of the collections of the general sales tax imposed at a rate of 4% on fuels, on the sale of motor vehicles and on the sale of the parts and accessories shall be used for transportation purposes. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Comprehensive Transportation Fund).
Minnesota	<u>Minn. Stat. § 297A.815</u>	<ul style="list-style-type: none"> • <u>6.5% sales tax</u> applied to vehicle leasing sales. • Distribution of Revenues <ul style="list-style-type: none"> ○ 38% (Highways). ○ 38% (Transit). ○ 13% (Transportation Fund). ○ 11% (Higher User Tax Distribution Fund).
	<u> §§ 297A.64, and 297A.94</u>	<ul style="list-style-type: none"> • 9.2% sales tax applied to vehicle rentals of 28 days or less. • 6.5% general sales tax applied to vehicle rentals or leases of 28 days or less. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Highway User Tax Distribution Fund).
	<u> § 297A.94</u>	<ul style="list-style-type: none"> • \$12.14 million each month derived from the taxable sale of automotive repair and replacement parts, including tires, paint, accessories and equipment. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Highway User Tax Distribution Fund).
	<u>Minn. Const., Art. 14, §§ 12 and 13</u>	<ul style="list-style-type: none"> • Effective July 2011, 100% of sales tax revenues derived from the purchase of a new or used vehicle must be used for transportation purposes. • Distribution of Revenues: <ul style="list-style-type: none"> ○ Not more than 60% (Highways). ○ Not less than 40% (Transit).
Missouri	<u>Mo. Rev. Stat. § 144.455</u>	<ul style="list-style-type: none"> • <u>4% sales tax</u> applied to the purchase of a new or used vehicle. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (State Road Fund).
Montana	<u>Mont. Rev. Code §§ 15-68-102 and 15-68-820</u>	<ul style="list-style-type: none"> • <u>4% base rental charge</u> applied to vehicle rentals of less than 30 days. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 25% (Transportation Services for Seniors and People with Disabilities). ○ 75% (General Fund).
Nebraska	<u>Neb. Rev. Stat. § 77-27, 132</u>	<ul style="list-style-type: none"> • 5.5% sales tax applied to the sale or lease of a vehicle for more than 31 days. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 90% (Highway Trust Fund). ○ 10% (Highway Allocation Fund)

Dedicated Sales Taxes for Transportation		
State	Statute	Summary
	<u>§ 77-27, 132</u>	<ul style="list-style-type: none"> • Effective July 1, 2013, and before July 1, 2033, .25% sales tax is dedicated for transportation purposes. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 85% (Highway Capital Improvement Fund). ○ 15% (Highway Allocation Fund).
New Jersey	<u>N.J. Stat. Ann. § 27:1B-20</u>	<ul style="list-style-type: none"> • <u>6.625% sales tax</u> applied to new vehicle purchases. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Transportation Trust Fund).
New Mexico	<u>N.M. Stat. Ann. § 7-14-10</u>	<ul style="list-style-type: none"> • <u>4% motor vehicle excise tax</u> applied to the purchase of a vehicle. • Distribution of Revenues: <ul style="list-style-type: none"> ○ Prior to July 1, 2021, <ul style="list-style-type: none"> ▪ 3.11% (State Road Fund). ▪ 25% (Emergency road repairs related to activity in the oil field). ▪ 71.89% (General Fund). ○ Beginning July 1, 2021, <ul style="list-style-type: none"> ▪ 21.86% (State Road Fund). ▪ 18.75% (Local Road Fund). ▪ 59.39% (General Fund).
New York	<u>N.Y. Tax Law §§ 1160 and 1167</u>	<ul style="list-style-type: none"> • 6% sales tax applied to vehicle rentals. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Dedicated Highway and Bridge Trust Fund).
	<u>§§ 1166A and 1167</u>	<ul style="list-style-type: none"> • 6% supplemental tax applied to vehicle rentals within the Metropolitan Commuter Transportation District (MCTD). • The MCTD consists of New York City and the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Metropolitan Transportation Authority).
	<u>§§ 1166B and 1167</u>	<ul style="list-style-type: none"> • 6% supplemental tax applied to vehicle rentals outside of the MCTD. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Public Transportation Operating Assistance Account).
	<u>§§ 183, 184 and 205</u>	<ul style="list-style-type: none"> • <u>Franchise tax</u> on the capital stock and intra-state gross earnings of companies, including transportation and transmission, telecommunications and utilities. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 54% (Mass Transit Operating Assistance Account).

Dedicated Sales Taxes for Transportation		
State	Statute	Summary
		<ul style="list-style-type: none"> ○ 26% (Public Transportation Operating Assistance Account). ○ 20% (Dedicated Highway and Bridge Trust Fund).
North Carolina	<u>N.C. Gen. Stat. §§ 105-187.5 and 105-187.9</u>	<ul style="list-style-type: none"> • 8% sales tax applied to short-term leases or rentals of 364 days or less. • 5% sales tax applied to “vehicle subscriptions” (i.e., using a vehicle upon payment of a fee). • 3% sales tax applied to long-term leases or rentals of 365 days or more. • Distribution of Revenues: <ul style="list-style-type: none"> ○ For taxes collected at 5% and 8%, the sum of \$10 million is credited to the Highway Fund, and the remainder is credited to the General Fund. ○ For taxes collected at 3%, 100% of the revenue is credited to the Highway Fund.
Oregon	<u>Or. Rev. Stat. § 320.435</u>	<ul style="list-style-type: none"> • 0.5% privilege tax applied to retail vehicle purchases. • Distribution of Revenues: <ul style="list-style-type: none"> ○ \$12 million to the Zero-Emission Incentive Fund. ○ All other revenues to the Connect Oregon Fund.
		<ul style="list-style-type: none"> • 0.5% use tax applied to retail vehicle purchases. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (State Highway Fund).
Pennsylvania	<u>Pa. Cons. Stat. Ann. § 74-1506</u>	<ul style="list-style-type: none"> • A percentage of sales tax revenues is deposited for transportation purposes. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 4.4% (Public Transportation). ○ An amount of proceeds of Commonwealth capital bonds as determined annually by the Secretary of the Budget.
Rhode Island	<u>R.I. Gen. Laws § 31-34.1-2</u>	<ul style="list-style-type: none"> • <u>8% surcharge</u> applied to vehicle rentals for each of the first 30 days. • Distribution of Revenues: <ul style="list-style-type: none"> ○ Surcharge collections exceeding the amount of licensing fees, title fees, transfer fees, registration fees and excise taxes paid shall be deposited in the Highway Maintenance Fund, beginning in Fiscal Year 2015.
South Carolina	<u>S.C. Code Ann. § 12-36-2110</u>	<ul style="list-style-type: none"> • 6% sales tax applied, up to a maximum of \$500, to the sale, lease or registration of a vehicle. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% of revenues, over \$300, shall be deposited in the Infrastructure Maintenance Trust Fund.

Dedicated Sales Taxes for Transportation		
State	Statute	Summary
	<u>§ 56-3-627</u>	<ul style="list-style-type: none"> • 5% Infrastructure Maintenance fee, not to exceed \$500, applied to the purchase or leasing of a vehicle from a dealer. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 80% (Highways and Roads). ○ 20% (Education).
South Dakota	<u>S.D. Codified Laws Ann. §§ 32-5B-1, 32-5B-17 and 32-5B-20</u>	<ul style="list-style-type: none"> • 4% sales tax applied to the purchase or acquisition of a vehicle. • 4.5% sales tax applied to vehicle rentals. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (State Highway Fund).
Texas	<u>Tex. (Tax) Code Ann. § 151.081</u>	<ul style="list-style-type: none"> • 6.25% sales tax applied to the sale of vehicle lubrication and motor oils. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (State Highway Fund).
	<u>Tex. Const., Art. VIII, § 7C</u>	<ul style="list-style-type: none"> • \$2.5 billion of the net revenue derived from the imposition state sales taxes, that exceeds the first \$28 billion of that revenue coming into the treasury in that state fiscal year. • The comptroller shall deposit to the credit of the state highway fund an amount equal to 35 percent of the net revenue derived from sales taxes imposed on motor vehicles that exceed the first \$5 billion of that revenue coming into the treasury in that state fiscal year. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (State Highway Fund).
Utah	<u>Utah Code Ann. § 59-12-103</u>	<ul style="list-style-type: none"> • 4.7% sales tax. • 8.3% of tax revenues is dedicated for transportation purposes. Per the law this, "Represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products." • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Transportation Investment Fund of 2005).
Vermont	<u>Vt. Stat. Ann. §§ 219-8903 and 219-8912</u>	<ul style="list-style-type: none"> • 6% sales tax applied to the purchase or lease of a vehicle. • 9% sales tax applied to vehicle rentals of less than 30 days in a continuous 365-day period or less than 70 days in a continuous 730-day period. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Transportation Fund).
Virginia	<u>Va. Code §§ 58.1-2402 and 58.1-2425</u>	<ul style="list-style-type: none"> • 4.15% sales tax applied to the sale or use of a vehicle. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Commonwealth Transportation Fund).

Dedicated Sales Taxes for Transportation

State	Statute	Summary
	<u>§§ 58.1-1736 and 58.1-1741</u>	<ul style="list-style-type: none"> • 10% sales tax applied to vehicle rentals in a weight classification below 26,001 pounds. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Commonwealth Transportation Fund).
	<u>§ 58.1-638</u>	<ul style="list-style-type: none"> • .5% dedicated sales tax for transportation. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 14.7% (Mass Transit). ○ 4.2% (Ports). ○ 2.4% (Airports).
	<u>§ 58.1-638.3</u>	<ul style="list-style-type: none"> • .3% dedicated sales tax for transportation. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 17.5% (Highway Maintenance/Operation). ○ 7.5% (Mass Transit). ○ 5% (Intercity Passenger Rail).
Washington	<u>Wash. Rev. Code § 82.08.020</u>	<ul style="list-style-type: none"> • .3% sales tax applied to the purchase of a vehicle. • 5.9% sales tax applied to vehicle rentals. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (Multimodal Transportation Account).
West Virginia	<u>W. Va. Code § 11-15-3C</u>	<ul style="list-style-type: none"> • 6% sales tax applied to the purchase or lease of a new or used vehicle. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (State Road Fund).
	<u>§ 17A-3-4</u>	<ul style="list-style-type: none"> • \$1.00 to \$1.50 daily fee applied to vehicle rentals in a weight classification below 8,001 pounds. • Distribution of Revenues: <ul style="list-style-type: none"> ○ 100% (State Road Fund).
Wyoming	<u>Wy. Stat. Ann. § 31-19-105</u>	<ul style="list-style-type: none"> • <u>4% surcharge</u> applied to vehicle rentals. • Distribution of Revenues: <ul style="list-style-type: none"> ○ Surcharge collections exceeding registration fees paid by a rental car agency shall remit the revenues to state Department of Transportation (DOT), Motor Vehicle Services Program.