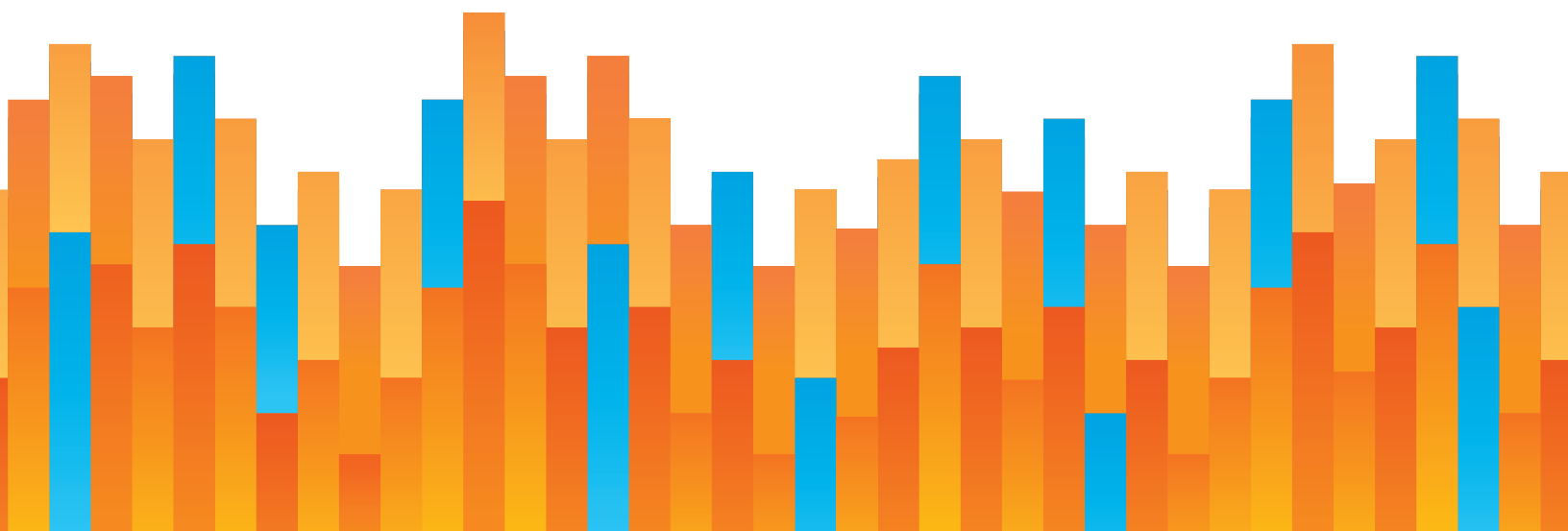




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REVEALING STATE GAS TAX DIVERSIONS

by Baruch Feigenbaum and Joe Hillman
June 2020





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PART 1

INTRODUCTION

Oregon introduced the first gas tax in 1919 and within a decade each state adopted the motor fuel tax as a method of funding roads. Gas taxes used to fund roads and highways represent the users-pay/users-benefit principle of responsible taxation, whereby those bearing the cost of the tax—highway users—obtain the benefits of a well-maintained road network.

Many states today, however, divert portions of their state gas tax revenue to the state general fund and other non-highway uses, such as these:

- The largest and most common diversions, found in 20 states, are those to transit and active transportation (pedestrian and bicycle projects). New York and New Jersey, for example, allocate over a third of their respective motor fuel tax (MFT) revenue to transit.
- Ten states divert a portion of their gas tax revenue to law enforcement and safety services, marking the second most common diversion.
- Though less frequent, diversions to education tend to be substantial, accounting for 25.9% and 24.7% of gas tax revenue in Michigan and Texas respectively.
- Other states divert gas tax revenue to tourism, environmental programs and administrative costs. In total, 22 states divert over 1% of their gas tax revenue.

By violating the users-pay/users-benefit principle, diversion poses both immediate and long-term threats to transportation funding. Diversions can leave roads and highways underfunded. New York, Rhode Island and New Jersey have the three highest diversion rates at 37.5%, 37.1% and 33.9% respectively, ranking 45th, 48th and 50th respectively on Reason's *Annual Highway Report* (which examines system costs versus quality).

Additionally, gas tax revenue that is used to subsidize rail transit is not viable in the market and often serves a small and affluent segment of the population. As vehicles become more fuel-efficient and less reliant on gasoline, taxpayers will be forced to pay for unprofitable and ineffective transportation methods for wealthy commuters.

This policy brief catalogs state gas tax diversions of the 25 states that employ that practice and outlines potential policies that will strengthen the users-pay/users-benefit model of transportation funding.

PART 2

BACKGROUND

On February 25, 1919, Oregon introduced the first gas tax in the United States at a rate of one cent per gallon. The use of gas taxes to fairly fund roads and highways proliferated across the country, as gas usage correlated with vehicle road usage. Within the following decade, each of the then-48 states had adopted its own gas tax.

In 1932, Congress created the first federal gas tax revenue source (one cent) intended to decrease the federal deficit; road and highway funding was traditionally under the purview of states and local governments. The federal gas tax rate was raised by half-a-cent per gallon during World War II and by another half-cent during the Korean War to generate new revenue for national defense.

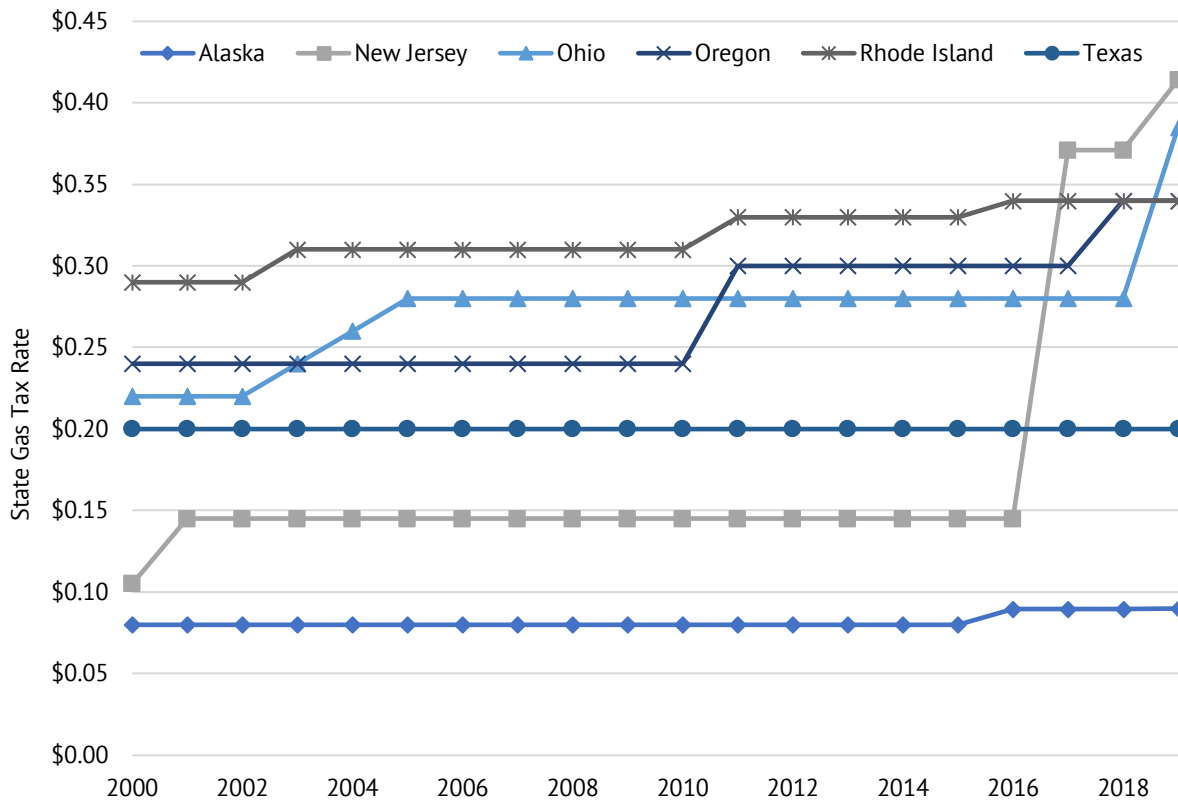
With the Federal Aid Highway Act of 1956, commonly referred to as the Interstate Highways Act, Congress raised the federal gas tax rate from two cents to three cents and dedicated all of the revenue to the newly created Highway Trust Fund (HTF). The HTF was designed to fund the construction of the new Interstate Highway System utilizing the users-pay/users-benefit principle of taxation.

The users-pay/users-benefit principle simply means that those paying a user tax receive the benefits, connecting a government expenditure with both market demands and a reliable, fair source of revenue. In the case of the gas tax, drivers are proportionally paying for their road and highway use, assuming the revenue is allocated for roads and highways. Overall,

government revenue that conforms to the users-pay/users-benefit principle is fair, proportional, predictable and self-limiting, while serving as a signal for investment.

Over the past hundred years, state gas tax rates have increased to accommodate the need to build (and rebuild) highways and to account for inflation. In July of 2019 alone, drivers in 14 states saw gas tax rate increases. A few states, such as Rhode Island and Georgia, mandate periodic indexing of the gas tax rate to account for inflation. New Jersey, on the other hand, ties its gas tax rate to revenue goals. Figure 1 provides a representative sample of state gas tax rates between 2000 and 2019.

FIGURE 1: STATE GAS TAX RATES 2000–2019



Source: “State Motor Fuels Tax Rates: 2000 to 2019.” TaxPolicyCenter.org.

Today, a driver in Oregon, who would have paid one cent per gallon in 1919, pays 36.8 cents per gallon in state gas tax and 18.4 cents per gallon in federal gas tax.

A penny in 1919 is equivalent to 15 cents in 2020, for the same purchasing power. Today's vehicles are roughly 17.6% more fuel efficient than those in the 1920s, though vehicles today are roughly 66.9% more fuel efficient compared to vehicles in 1960 (when comparing the average fuel economy of 24.7 miles per gallon today, with the fuel economy of the Ford Model T at 21 miles per gallon and average fuel economy of 14.8 miles per gallon in 1960). Based solely on inflation and increased fuel efficiency, that one cent tax in 1919 would equal 17.6 cents today.

Currently, state gas taxes range from 14.32 cents per gallon in Alaska to 62.05 cents per gallon in California, not including the 18.4 cents per gallon federal gas tax.

Rather than dedicating all gas tax revenue to roads and highways, many states divert portions of the revenue to non-road and non-transportation purposes. While those paying gas taxes may see some benefit in non-road and non-transportation spending, these diversions undermine the users-pay/users-benefit principle and promote irresponsible spending behavior. When gas tax revenue is treated as an undedicated stream of governmental revenue, roads suffer, and tax dollars may be wasted on ineffective or irrelevant programs.

Though this brief focuses specifically on the diversion of state-level gas tax revenue, it should be noted that each state funds its road system with a unique combination of fees and taxes, often including motor vehicle registration fees and various sales taxes. Accordingly, a state may divert its registration fees while using all of its gas tax revenue on roads and highways.

A gas tax diversion rate is only one measure of a state's fiscal responsibility. California, as an example, diverts none of its gas tax revenue. Yet, the state collects over \$8 billion in revenue per year from vehicle registration and miscellaneous motor vehicle fees, which is partially allocated to programs such as the California Highway Patrol, the California High-Speed Rail Authority and local public transportation.

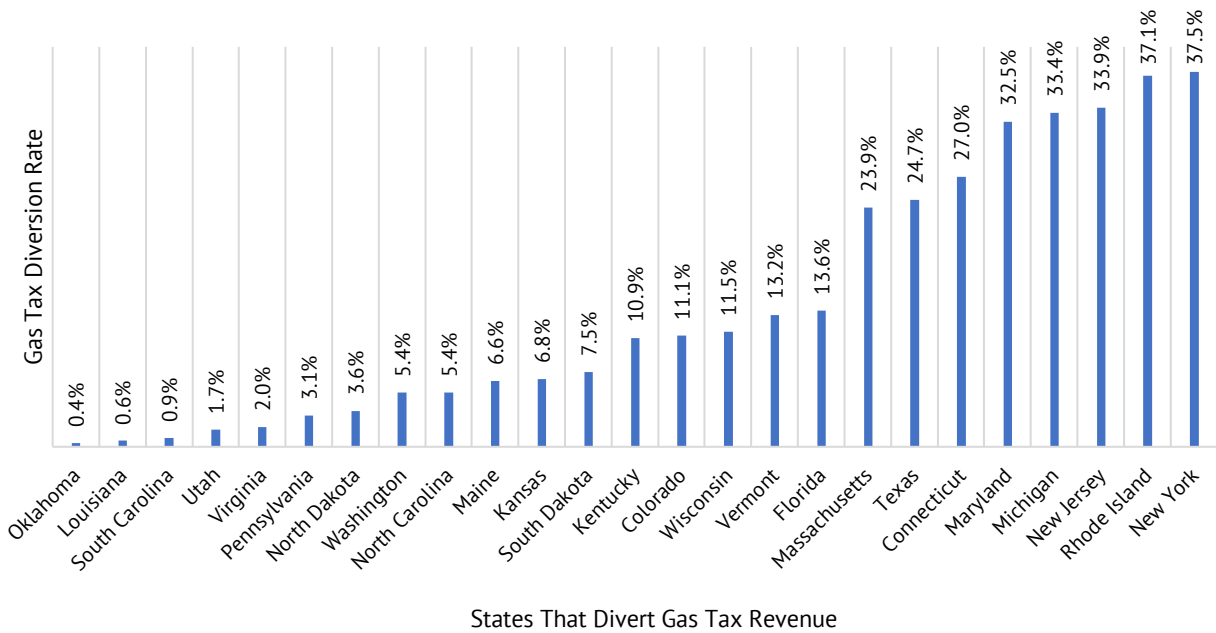
Despite the aforementioned limitations, this brief solely examines the diversion of state-level motor fuel tax revenue as a measure of fiscal responsibility for state transportation funding.

PART 3

GAS TAX DIVERSIONS BY STATE

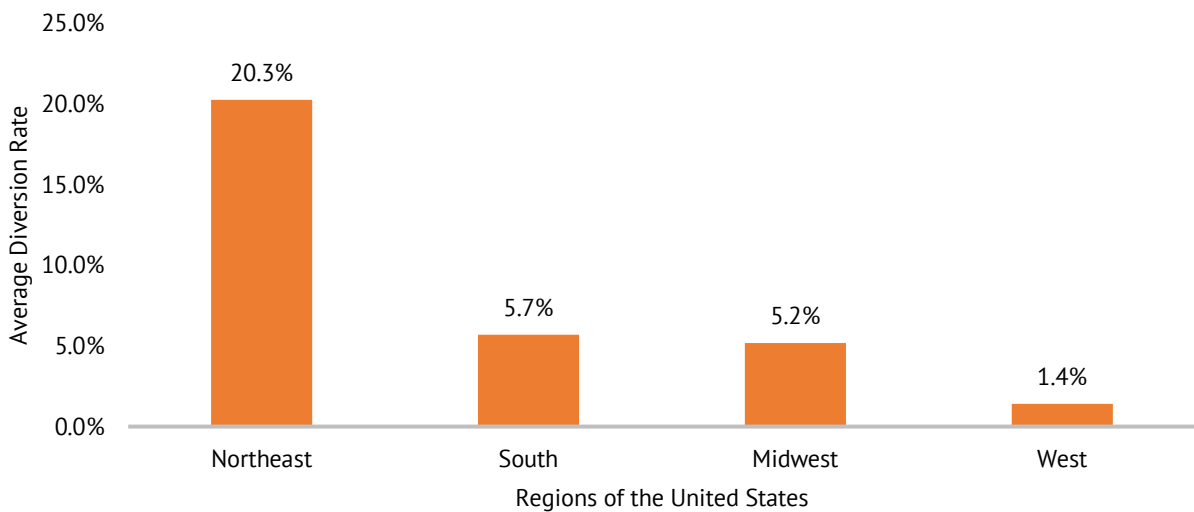
Gas tax diversions vary by state for the 25 states that employ that practice. Figure 2 lists state gas tax diversion rates, or the percentage of state gas tax revenue that is allocated for expenses unrelated to road construction or maintenance. Figure 3 provides a regional diversion percentage. The remainder of this section itemizes all diversions of state level gas taxes. Explanations for each state's diversion rate can be found in this brief's appendix.

FIGURE 2: STATE GAS TAX DIVERSION RATES



Source: State Annual Budget, Transportation Budget and Transportation Fund Statements Data; more detail provided in this brief's appendix.

FIGURE 3: AVERAGE DIVERSION RATE OF EACH U.S. REGION



Source: State Annual Budget, Transportation Budget and Transportation Fund Statements Data; more detail provided in this brief's appendix.

The regions used in Figure 3 correspond with the classification used by the United States Census Bureau.

PART 4

METHODOLOGY

Although the definition, collection and allocation of gas tax revenue vary widely in each state, this brief uses the following methodology.

Gas taxes can generally be broken down into two components: a gasoline excise tax and additional fees, both of which are charged at per-gallon rates. Most often, a vast majority of the gas tax rate is composed of a per-gallon excise tax, which is the common label for a gas tax. Additional per-gallon fees are often used to cover the costs of petroleum-tank inspections or specifically designated funds, be they agricultural, environmental or transportation related.

In other states, the label of excise tax merely reflects one, usually older but indistinguishable, component of the gas tax. In case of New Jersey, the traditional gasoline excise tax is only \$0.105 per gallon, while the other fees total \$0.309 per gallon. Yet, both components are collected as one coherent gas tax.

Other states, such as Florida, break down their gas taxes into multiple components. Each component, roughly corresponding to legislation, increases the overall gas tax rate, and is governed by its own set of revenue allocation formulas.

Also, to be consistent, this brief uses the term “motor fuel tax” (MFT) revenue to refer to the combination of revenue from per-gallon gasoline taxes, diesel taxes, special fuel taxes and,

in some cases, jet and aviation fuel taxes. Each state reports its MFT revenue differently. Some states collect MFT revenue from road-based and non-road vehicles (boats, trains or planes) separately. In such cases, the exact amount of revenue associated with each transport mode is known, and the allocation process occurs separately. Others collect all per-gallon MFT revenue together, and distribute non-highway MFT revenue according to a preapproved formula. In other words, all fuel is subjected to the MFT, and revenue for each transportation mode is allocated at some proportion.

Generally, this brief uses road-based MFT revenue unless there is no way to separate how much revenue was collected from non-road MFTs. For the latter states, any allocation of non-highway MFT revenue to non-highway uses is not considered a diversion.

To calculate the diversion rate, we first examine which state account or fund MFT revenue is allocated to in each state. States such as Georgia and Illinois have dedicated accounts for MFT revenue, which means all expenditures from the government account or fund is from MFT revenue. Other states such as Alabama or Massachusetts, place MFT revenue into a special transportation account, or, as Alaska does, into a general fund account with various other sources of revenue.

When MFT revenue is placed into an account with other sources of revenue, this brief assumes that MFT revenue is distributed proportionally among all expenditures from the account, unless those expenditures have a dedicated source of revenue or state statute mandates further regulations on MFT revenue within a given account.

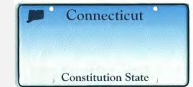
Most states allocate small portions of their MFT revenue to cover the administrative costs of MFT collection or to provide refunds for agricultural or recreation-based fuel use, neither of which is considered a diversion.

In terms of calculating its gas tax diversion rate, each of the 25 states generally conforms to the outline above while having its own unique circumstances, be they special expenses due to geography, such as ferries in Alaska and Washington, or a particularly complicated allocation formula such as the one used in Florida.

COLORADO		
MFT Revenue (FY17-18)	\$647,230,168	
Colorado State Patrol	\$71,958,000	11.1%
Total Diversions	\$71,958,000	11.1%



CONNECTICUT		
MFT Revenue (FY19)	\$807,800,000	
CDOT Rail Operations	\$102,790,177	12.7%
CDOT Bus Operations	\$91,765,964	11.4%
ADA Paratransit	\$20,529,944	2.5%
Depart. of Energy and Environmental Protection	\$1,374,589	0.2%
Temporary Assistance for Needy Families	\$1,164,398	0.1%
Non-ADA Paratransit	\$282,874	0.0%
Transfer to Port Authority	\$196,440	0.0%
Total Diversions	\$218,104,386	27.0%




FLORIDA		
MFT Revenue (FY18-19)	\$2,843,316,758	
Dedicated to Mass Transit	\$343,917,548	12.1%
Fish and Wildlife Conservation Commission	\$15,900,000	0.6%
Agriculture Emergency Eradication Trust Fund	\$13,656,350	0.5%
Aquatic Weed Control	\$6,300,000	0.2%
Refunds, Municipal, County and School Districts	\$5,477,000	0.2%
Refunds, City Transit	\$677,000	0.0%
Total Diversions	\$385,927,898	13.6%





KANSAS		
MFT Revenue (FY19)	\$459,158,000	
Highway Patrol	\$10,287,479	2.2%



Education	\$8,728,425	1.9%
Transit	\$6,730,758	1.5%
Debt Services for Statehouse Renovations	\$3,523,022	0.8%
Mental Health Grants	\$1,920,350	0.4%
Total Diversions	\$31,190,034	6.8%

KENTUCKY		
MFT Revenue (FY18)	\$764,900,000	
State Police Operations	\$39,670,400	5.2%
Sec. of State General Admin.	\$37,773,507	4.9%
Kentucky Vehicle Enforcement	\$5,159,530	0.7%
Office of Admin. Serv., Finance Postal Services	\$226,739	0.0%
Kentucky Artisan Center at Berea	\$225,271	0.0%
Energy Recovery Road Fund	\$154,266	0.0%
Governor's Office of Homeland Security	\$136,822	0.0%
Total Diversions	\$83,346,535	10.9%


LOUISIANA		
MFT Revenue (FY18)	\$601,840,910	
Mass Transit Program	\$3,726,160	0.6%
Total Diversions	\$3,726,160	0.6%


MAINE		
MFT Revenue (FY18)	\$259,278,445	
Department of Public Safety	\$16,945,476	6.5%
Implementation of REAL ID	\$191,526	0.1%
Dept. of Environmental Protection	\$18,411	0.0%
Total Diversions	\$17,155,413	6.6%


MARYLAND		
MFT Revenue (FY18)	\$1,126,049,284	
MTA Bus Operations	\$85,781,687	7.6%
WMATA Operating	\$75,979,270	6.7%
MTA Rail Operations	\$41,752,242	3.7%
MTA Facilities & Capital Equipment	\$35,030,321	3.1%
WMATA Capital	\$32,431,776	2.9%
Port Administration	\$19,077,968	1.7%
MTA Transit Administration	\$18,150,257	1.6%
MTA Statewide Programs Operations*	\$14,183,043	1.3%
Chesapeake Bay 2010 Trust Fund	\$12,936,000	1.2%
MD State Police—Commercial Vehicles	\$12,281,687	1.1%
Office of Transportation Tech Services	\$9,516,626	0.8%
MD State Police—Auto Safety	\$3,731,617	0.3%
Waterway Improvement Fund	\$2,812,000	0.2%
MTA Major Technology Projects	\$753,792	0.1%
Information Tech Development Projects	\$703,505	0.1%
MD Department of Environment	\$229,990	0.0%
Total Diversions	\$365,351,781	32.5%

*MTA Statewide Programs Operations refers to a set of programs that transport elderly and disabled individuals.

MASSACHUSETTS		
MFT Revenue (FY20)	\$846,700,000	
Non-Road or Highway Transportation	\$122,184,800	14.4%
Massachusetts Bay Transportation Authority	\$44,958,000	5.3%
Regional Transit Authorities	\$32,037,000	3.8%
Motor Vehicle Insurance Merit Rating Board	\$3,599,546	0.4%
Total Diversions	\$202,779,346	23.9%

MICHIGAN		
MFT Revenue (FY18)	\$2,268,300,000	
School Aid Fund	\$587,939,300	25.9%
Comprehensive Transportation Fund	\$167,650,132	7.4%
MDOT Local Agency Programs, Rail	\$14,860,456	0.7%
Total Diversions	\$770,449,888	33.9%

NEW JERSEY (FY18)		
MFT Revenue (FY18)	\$1,062,400,000	
NJ Transit, Rail Infrastructure Needs	\$106,731,000	10.0%
NJ Transit, Bus and Lightrail Investment	\$89,208,000	8.4%
NJ Transit, Rail Rolling Stock Improvement	\$57,879,000	5.5%
NJ Transit, Other Expenses	\$54,593,000	5.1%
NJ Transit, Rail Improvement	\$24,957,000	2.3%
NJ Transit, Northern Branch Extension	\$15,399,000	1.5%
NJ Transit, Technology Improvements	\$4,779,000	0.5%
NJ Transit, Safety Improvements	\$3,186,000	0.3%
NJ Transit, Additional Lightrail expansions	\$2,124,000	0.2%
Municipal Aid—Transit Village Grants	\$531,000	0.0%
Municipal Aid—Bikeway Grants	\$531,000	0.0%
Municipal Aid—Safe Streets to Transit	\$531,000	0.0%
Total Diversions	\$360,449,000	33.9%

NEW YORK		
MFT Revenue (FY18)	\$1,600,000,000	
Dedicated Mass Transit Funds	\$600,000,000	37.5%
(MTA Funding)	(\$494,000,000)	(30.9%)
Total Diversions	\$600,000,000	37.5%

NORTH CAROLINA		
MFT Revenue (FY18)	\$1,993,032,340	
Powell Bill (pedestrian and bike projects)	\$59,792,000	3.0%
Roadside Environment Projects	\$40,400,000	2.0%
Durham MPO, Transportation Alternatives (TA)	\$3,391,875	0.2%
Various City-level Bike and Pedestrian Projects	\$847,500	0.0%
Greater Hickory MPO, TA	\$618,750	0.0%
Winston-Salem MPO, TA	\$513,375	0.0%
National Recreational Trails	\$450,000	0.0%
Statewide Bicycle & Pedestrian Programs	\$375,000	0.0%
State Rail Preliminary Engineering	\$375,000	0.0%
French Broad River MPO, TA	\$321,750	0.0%
Fonta Flora Trail	\$234,750	0.0%
Bent Creek Greenway, Multi-Use Paths	\$150,000	0.0%
Fayetteville MPO, TA	\$147,750	0.0%
Belk Greenway Connector	\$51,750	0.0%
Greensboro MPO, TA	\$9,750	0.0%
Total Diversions	\$107,679,250	5.4%



NORTH DAKOTA		
MFT Revenue (FY17-19)	\$370,300,000	
Public Transportation	\$5,380,344	1.5%
Highway Patrol	\$4,719,600	1.3%
Transfer to the Ethanol Subsidy Fund	\$3,124,800	0.9%
Total Diversions	\$13,224,744	3.6%



OKLAHOMA		
MFT Revenue (FY18)	\$485,375,960	
ODOT, Public Transit	\$977,130	0.2%
ODOT, Passenger Rail	\$723,330	0.2%
Total Diversions	\$1,700,460	0.4%



PENNSYLVANIA

MFT Revenue (FY18)	\$1,855,800,000	
Multimodal Transportation Fund	\$35,000,000	1.9%
Additional Unrestricted Motor License Fund	\$22,000,000	1.2%
Total Diversions	\$57,000,000	3.1%

RHODE ISLAND


MFT Revenue (FY18)	\$156,131,387	
Rhode Island Public Transit Agency	\$43,560,657	27.9%
Department of Human Services	\$4,527,810	2.9%
Traffic Safety Capital Program	\$3,996,200	2.6%
Transportation Alternatives	\$2,743,400	1.8%
RIDOT, Headquarter Operations	\$2,315,650	1.5%
RIDOT, Transit Operations	\$855,500	0.5%
Total Diversions	\$57,999,217	37.1%


SOUTH CAROLINA


MFT Revenue (FY18-19)	\$808,000,000	
Intermodal Planning & Mass Transit	\$7,289,000	0.9%
Total Diversions	\$7,289,000	0.9%


SOUTH DAKOTA

MFT Revenue (FY18)	\$208,980,515	
Public Safety	\$13,574,322	6.5%
Loan to the State Rail Fund	\$2,011,057	1.0%
Total Diversions	\$15,585,379	7.5%

TEXAS		
MFT Revenue (FY18)	\$3,674,996,627	
Transfer to the School Fund	\$899,837,878	24.7%
Total Diversions	\$899,837,878	24.7%

UTAH		
MFT Revenue (FY18)	\$488,893,653	
Public Safety	\$5,495,500	1.1%
County and City-Level BRT Road Projects	\$2,400,000	0.5%
Sidewalk Safety	\$500,000	0.1%
Office of Tourism	\$118,000	0.0%
Total Diversions	\$8,513,500	1.7%

VERMONT		
MFT Revenue (FY18)	\$108,568,381	
Non-AOT State Police	\$7,026,750	6.5%
Vermont Rail Transit	\$2,840,249	2.6%
Public Transit	\$2,760,454	2.5%
Information Centers	\$1,348,522	1.2%
Bike & Pedestrian Programs	\$291,429	0.2%
Park & Ride Facilities	\$72,870	0.1%
Total Diversions	\$14,340,274	13.2%

VIRGINIA		
MFT Revenue (FY18)	\$898,700,000	
Support to Other State Agencies	\$16,881,195	1.9%
Dept. of Rail and Public Transportation	\$868,626	0.1%
Total Diversions	\$17,749,821	2.0%

WASHINGTON		
MFT Revenue (FY17-19)	\$3,605,000,000	
Fish Barrier Removal Projects	\$37,500,000	1.0%
Regional Mobility Grants (park+ride, buses)	\$25,000,000	0.7%
Special Needs Transit Grants	\$25,000,000	0.7%
Sidewalk Program	\$16,000,000	0.4%
Complete Streets Program	\$14,670,000	0.4%
Transit Related Grants (park+ride, buses)	\$13,880,000	0.4%
Rural Mobility Grants	\$13,750,000	0.4%
Pedestrian and Bike Projects	\$11,130,000	0.3%
LED Street Light Retrofit Program	\$10,000,000	0.3%
Pedestrian and Bike Safety Projects	\$9,380,000	0.3%
Safe Routes to School Grants	\$7,000,000	0.2%
Commute Trip Reduction Programs	\$5,130,000	0.1%
Vanpool Investments	\$3,880,000	0.1%
Transfer to Small City Sidewalk Program	\$2,000,000	0.0%
Total Diversions	\$194,320,000	5.4%

WISCONSIN		
MFT Revenue (FY17-18)	\$1,065,937,000	
Transit Aid	\$60,149,700	5.6%
Aeronautics Aid	\$57,891,900	5.4%
Harbor Aid	\$5,777,000	0.5%
Total Diversions	\$123,076,600	11.5%

Before analyzing the above list of diversions, it is important to acknowledge some context. Primarily, this list represents conservative estimates of gas tax diversions as it is difficult to separate administrative expenses and debt services between roads and transit.

Connecticut, for example, allocates 40% of its gas tax revenue, equivalent to \$610 million, toward debt services for transportation-related bonds. While this list does not count debt servicing as a diversion, almost a quarter of all transportation bond revenue in FY2019

supported transit. Accordingly, it is possible that Connecticut uses a portion of gas tax revenue to fund transit-related bonding that has little to do with roads or highways.

Additionally, some states allow local governments to divert portions of gas tax revenue. Colorado shares gas tax revenue with local jurisdictions and allows cities and counties to spend up to 15% of their share on transit and 5% on administration. Therefore, the diversion rate for Colorado underestimates the actual amount of gas tax revenue that is diverted.

Finally, each state is unique, and the diversion rate may not necessarily reflect a state's fiscal responsibility or lack thereof.

California's lack of diversions appears impressive when compared to other large Democratic states. All motor fuel tax revenue in California was placed into the Motor Vehicle Fuel Account of the Transportation Tax Fund, which is used solely on roads and highways. However, California diverts revenue from other driver charges, such as registration and license fees, to law enforcement and rail transportation. Therefore, California still spends revenue generated from automobiles on non-roadway purposes.

PART 5

ANALYSIS

There are clear patterns in where diverted gas tax revenue is allocated. The most common diversion is for non-road and non-highway transportation, such as trains, buses and pedestrian projects. The following 20 states all divert gas tax revenue to non-roadway transportation projects: Connecticut, Florida, Kansas, Louisiana, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont, Virginia, Washington and Wisconsin.

The second most common diversion is for law enforcement, mainly state police, which occurs in nine states: Colorado, Kansas, Kentucky, Maine, Maryland, North Dakota, South Dakota, Utah and Vermont. Similar to the diversions toward transit, the diversions for law enforcement are tangentially related to highways but violate the users-pay/users-benefit principle. Not all drivers use roads that are under the purview of state police, nor do all drivers see a proportional benefit to their road use because of the state police.

Diversions to state environmental agencies and protection programs are fairly common as well. Florida diverts revenue toward its Fish and Wildlife Conservation Commission and its aquatic weed control program. Maine diverts revenue directly to its respective Departments of Environmental Protection. Maryland diverts to its Chesapeake Bay Trust Fund and Washington toward its fish barrier removal program. Michigan and Texas divert large portions of their gas tax revenue to education at 25.9% and 24.7% respectively.

Beyond those aforementioned diversions, both Utah and Vermont divert small portions of their revenue toward tourism promotion, while Rhode Island diverts revenue to its Department of Human Services (DHS), an agency that cares for veterans, the elderly, and those who are unable to take care of themselves. Motor fuel tax revenue is supposed to offset some of the transportation costs incurred at DHS, whether it's refunding any gas tax paid by its government vehicles or funding paratransit programs. Similarly, Kansas uses MFT revenue to fund mental health grants for the Department of Aging and Disability Services.

Geographically, the only major pattern is that the dense liberal states of the Northeast tend to have high diversion rates. The average diversion rate in the Northeast is 20.3%, well above the 5.7%, 5.2% and 1.4% average diversion rates in the South, Midwest and West respectively.

New York diverts 37.5% of its gas tax revenue, Rhode Island diverts 37.1%, New Jersey diverts 33.9%, Maryland diverts 32.5%, Connecticut diverts 27.0%, Massachusetts diverts 23.9% and Vermont diverts 13.2%. Diversions to mass transit make up almost all of the diversions in each of the aforementioned states except Vermont. Maine's diversion rate of 6.6% may be low compared to its neighbors but is still higher than 34 other states.

Unsurprisingly, New York, Rhode Island and New Jersey not only have the three highest diversions rates, but also rank at the bottom (45th, 48th and 50th) respectively on the overall value for money ranking in Reason's *Annual Highway Report*. Large diversions are common in northeast states, and drivers suffer where road quality is worse and costs higher than nationwide.

At the same time, Delaware and New Hampshire divert none of their respective revenue, and Pennsylvania diverts only 3.1% of its revenue despite having a fairly robust public transportation system in Philadelphia (although Pennsylvania does divert Turnpike revenue to transit systems).

Of the 10 states with the highest diversion rates, only Michigan at 33.4%, Texas at 24.7% and Florida at 13.6% are located outside the Northeast. Michigan and Texas use gas tax revenue to help fund education, while Florida diverts to mass transit and environmental programs.

Ironically, these diversions could actually harm the departments to which they are allocated in the long term. As electric cars become more common and gasoline-powered vehicles more efficient, gas tax revenue is expected to decline. Texas' School Fund received \$900 million in funding from gas tax revenue in the fiscal year 2019 alone, leaving education in Texas vulnerable to declining revenue.

While high diversion rates are located mainly in the Northeast, low diversion rates are found throughout the country in a great variety of states. Ohio, with its large population, diverts less than 1% of its revenue, as do the less-populated Alaska and Hawaii. Liberal Oregon and conservative Wyoming divert none of their respective gas tax revenue, nor do snowy Minnesota or sunny New Mexico.

PART 6

RECOMMENDATIONS

Gas tax diversions are a product of public policy, not ideology, climate or demographics. Accordingly, there are steps that any state can take to decrease its diversion rate while acknowledging its own unique public policy needs.

States could enact legislation or constitutional amendments that prevent diversions of gas tax revenue in the first place. Georgia's constitution, for example, restricts the use of motor fuel tax revenue to roads and bridges for construction, maintenance and financing. The most effective route, as demonstrated by Georgia, is to deposit all gas tax revenue into its own account and restrict the use of that account to roads and highways. States can also pursue legislation or a constitutional amendment to designate gas tax revenue as dedicated revenue regardless of what account the revenue is deposited in.

States should create restrictions on gas tax revenue that meet the needs of their state without allowing for diversions to tangentially related projects. Alaska, Indiana and Iowa all treat MFT revenue as dedicated and place restriction on its use. South Dakota allocates gas tax revenue toward radio communications, but that infrastructure is needed for driver's safety in the rural state. On the other hand, Utah restricts gas tax revenue, but diverts revenue to facilitate Bus Rapid Transit on roads and highways.

Alabama has particularly robust laws that outline what gas tax revenue may be used for at the state, county and municipal levels. For example, local governments can use their share

of gas tax revenue to fund plant removal as a part of road maintenance, but they may not use gas tax revenue to purchase herbicide.

States with programs that depend on diverted revenue may find the outright elimination of diversions to be politically infeasible. Such states could mandate a 10% annual decrease in their diversion rate and require that roads and highways meet certain quality thresholds before any revenue is diverted.

New Jersey, which allocates roughly \$360 million in MFT revenue to NJ Transit per year, would have the more manageable task of raising \$36 million in new transit-related revenue each year, possibly through a value-added tax placed on real estate within a mile of an NJ Transit train station or directly on an express bus route. Additionally, NJ Transit could reevaluate the necessity of unprofitable routes.

Similarly, Texas, a state where just under \$900 million of MFT revenue is allocated to education, would have to decrease its diversion by \$90 million per year. Texas would likely have to audit its education spending, a positive process in the long term, while finding more appropriate, reliable sources of revenue.

Over the course of a decade, these states would completely transition away from diversions, benefiting roads and highways while preparing transit and schools for the projected decline in MFT revenue.

In the long term, as electric vehicles become the norm and gas tax revenue declines, states could use dedicated mileage-based user fees (MBUFs) to equitably fund highways. MBUFs would replace state gas taxes and distribute the exact costs of highways onto those who use highways, eliminating the problem of diverted revenue.

APPENDIX: ALLOCATION OF MOTOR FUEL TAX REVENUE IN EACH STATE

ALABAMA



Alabama has a gasoline excise tax, state-administered and regulated local gas taxes, and an additional above-ground storage tank (AST) Trust Fund Environmental per-gallon fee. The AST fund fee, collected separately from the MFT, is deposited into the AST Fund for efforts that mitigate the environmental impacts of petroleum storage. All MFT revenue is deposited into the Public Road and Bridge Fund (PRBF), which serves as the general fund for the Alabama DOT. Though the PRBF contains various sources of revenue, MFT revenue is restricted by statute specifically to roads, highways and bridges. These restrictions also apply to municipalities and counties that accept funds from the state-administered local gas tax. Alabama's statutes on MFT revenue allocation are very detailed and specific. For example, municipalities can use MFT revenue to fund weed removal efforts on highways and roads, a major component of road maintenance, but municipalities cannot use MFT revenue to purchase herbicide.

ALASKA



Alaska levies a \$0.0895 per-gallon excise tax, which includes a \$0.0095 per-gallon refined fuel surcharge. Revenue specifically from the surcharge, which is part of the excise tax, is deposited into the Oil and Hazardous Substance Release Prevention Fund, intending to mitigate negative environmental impacts of petroleum product storage. All other MFT revenue is deposited into Alaska's general fund, but is a Designated General Fund (DGF) by statute, and is accordingly not diverted. As a DGF, MFT revenue can be used for construction and maintenance of the road network, which includes ferries in Alaska.

ARIZONA



Arizona has an \$0.18 per-gallon excise tax and a separate \$0.01 per-gallon underground storage tank fee. All MFT revenue is deposited into the Highway User Revenue Fund (HURF), which follows a fairly complicated allocation formula, but ultimately exercises no diversion. The HURF contains numerous sources of revenue that relate to highways and drivers. Fifty-six percent of the HURF is allocated to counties and cities.

ARKANSAS



Arkansas levies a \$0.245 gasoline state excise tax and a separate \$0.30 Petroleum Environmental Assurance Fee. Starting in October 2019, part of Arkansas' gas tax revenue has been from a 1.6% wholesale gasoline tax, which equates to about \$0.003 per gallon of the overall gas tax rate. MFT revenue is deposited into a series of designated funds: Municipal Aid Fund, County Aid Fund, Highway Department Fund and State Aid Road Fund. While some of these accounts contain other sources of revenue, MFT revenue is specifically restricted by state-level statute to highway administration, operations, construction, maintenance and debt funding. Counties, however, are allowed to use MFT revenue for parking lots at county-owned buildings and even in some cases mass transit. The transportation budgets of Arkansas' 76 counties are outside the scope of this brief.

CALIFORNIA



California levies a statewide gasoline excise tax at a rate of \$0.473, a statewide 2.25% gas sales tax, local-level gasoline sales taxes and a separate Underground Storage Tank Fee of \$0.02 per gallon. All MFT revenue was collected into the Motor Vehicle Fuel Account of the Transportation Tax Fund. Jet fuel tax, regulatory licenses and permits, investment income, cost recoveries and escheat (unclaimed checks, warrants, bonds and coupons) were also all deposited into the fund, though MFT revenue made up 99.9% of the aforementioned fund. There are no diversions of MFT revenue, as the Motor Vehicle Fuel Account is allocated to roads, highways, administrative costs and other programs that correlate with non-highway or road fuel use, like recreation or agriculture.

COLORADO



Colorado currently levies a \$0.22 per-gallon gasoline excise tax only. For FY2017-2018, all \$647.2 million of state MFT revenue was deposited into the Highway Users Tax Fund (HUTF). The HUTF also contains revenue from registration fees, vehicles sales taxes and other driver-based fees; MFT revenue makes up roughly 60.6% of the \$1,068.6 million HUTF. From the HUTF, \$132.6 million (or 20.5% of MFT revenue) is allocated to county governments and \$86.3 million (or 15.2%) is allocated to municipalities, generally for local roads and bridges. The state of Colorado, however, allows counties and municipalities to spend up to 15% of their share of MFT revenue on mass transit and 5% on administration. Also, the Colorado State Patrol receives a total of \$118.7 million from the HUTF. As MFT revenue is 60.6% of the HUTF, a proportional \$71,958,00 of the MFT is diverted to the Colorado State Patrol. The remainder of the HUTF is spent appropriately and not diverted.

TABLE A1: COLORADO MOTOR FUEL TAX BREAKDOWN

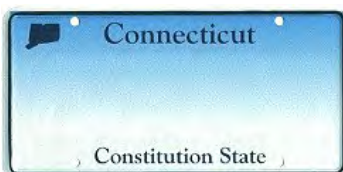
MFT Revenue (FY17-18):	\$647,230,168
HUTF Revenue (FY17-18):	\$1,068,600,000
Percentage of HUTF from MFT Revenue:	60.6%
HUTF to the Colorado State Patrol:	\$118,700,000
MFT Revenue to the State Patrol:	\$71,958,000, 11.1%
Total Diversions	\$71,958,000, 11.1%

The above diversion rate does not include the state-permitted local-level allocations to mass transit and administration. The scope of those allocations are outside of the scope of this brief, but below are the maximum amounts of these allocations.

TABLE A2: COLORADO MOTOR FUEL TAX MAXIMUM LOCAL DIVERSIONS

MFT Revenue to County Governments:	\$132,600,000, 20.5%
Maximum MFT Revenue to County Transit:	\$19,890,000, 3.1%
Maximum MFT Revenue to County Administration:	\$6,630,000, 1.0%
MFT Revenue to Municipal Governments:	\$86,300,000, 15.2%
Maximum MFT Revenue to County Transit:	\$12,945,000, 2.0%
Maximum MFT Revenue to County Administration:	\$4,315,000, 0.7%

CONNECTICUT



Connecticut's gas tax is composed of a \$0.25 per-gallon excise tax and an 8.9% gross receipts tax on petroleum earnings at the wholesale level, the latter equating to roughly \$0.11 per gallon for consumers. Total state MFT revenue was \$807,800,000 for the fiscal year 2019, all of which was deposited into the Special Transportation Fund (STF). The STF also contains revenue from sales and use taxes, motor vehicle receipts, licenses and permit fees, and other miscellaneous sources. MFT revenue makes up 49.1% of the \$1,644,900,000 STF in the fiscal year 2019. The STF serves as the general fund for the Connecticut DOT, and is allocated to cover the costs of various transportation expenses from road construction to bus operations. Below is a list of expenditures from the STF that have no dedicated source of revenue and thus require a diversion of MFT revenue. This brief assumes that MFT revenue is distributed proportionally to the various expenditures of the STF.

TABLE A3: CONNECTICUT MOTOR FUEL TAX BREAKDOWN

MFT Revenue (FY19):	\$807,800,000
STF Revenue (FY19):	\$1,644,900,000
Percentage of STF from MFT Revenue:	49.1%
STF to CDOT Rail Operations:	\$209,306,000
MFT to CDOT Rail Operations:	\$102,790,177, 12.7%
STF to CDOT Bus Operations:	\$186,858,000
MFT to CDOT Bus Operations:	\$91,765,964, 11.4%

STF to ADA Paratransit:	\$41,804,000
MTF to ADA Paratransit:	\$20,529,944, 2.5%
STF to the Dpt. of Energy and Environmental Protection:	\$2,799,000
MFT to the Dpt. of Energy and Environmental Protection:	\$1,374,589, 0.2%
STF to Temporary Assistance for Needy Families:	\$2,371,000
MTF to Temporary Assistance for Needy Families:	\$1,164,398, 0.1%
STF to non-ADA Paratransit:	\$576,000
MTF to non-ADA Paratransit:	\$282,874, 0.0%
STF to Port Authority:	\$400,000
MFT to Port Authority:	\$196,440, 0.0%
Total Diversions	\$218,104,386, 27.0%

DELAWARE



Delaware imposes a \$0.23 per-gallon excise tax and a \$0.22 per-gallon diesel excise tax. All of MFT revenue, which equated to \$131,874,692 for the FY17-18, is deposited into the Transportation Trust Fund (TTF), along with toll revenue, motor vehicle fees and other driver-related fees. The TTF is dedicated to road maintenance, preservation and repair, as well as all other road and highway expenses such as payroll, depreciation and professional services.

FLORIDA



Florida levies the following taxes on motor fuel, which together comprise the total motor fuel tax: a state highway fuel sales tax at a rate of \$0.143 per gallon, the State Comprehensive Enhanced Transportation System (SCETS) Tax at \$0.079 per gallon, a constitutional fuel tax at a rate of \$0.02 per gallon, a county fuel tax at a rate of \$0.01 per gallon and a municipal fuel tax at a rate of \$0.01 per gallon. The fuel sales tax and the SCETS tax are both indexed annually based on the consumer price index.

In addition to the aforementioned MFTs, Florida also levies separate aviation fuel taxes and non-highway fuel taxes, as well as regional specific gas taxes. Aviation fuel tax revenue is not included in the total MFT revenue below.

Total MFT revenue was \$2,843,316,758 for the fiscal year 2018–2019. The constitutional tax, the county tax and the municipal tax are allocated to local governments. The revenue from these specific components of the overall state MFT was \$450,475,658. The only diversion within the local allocations was a \$402,000 refund to municipalities, counties and school boards for their fuel use.

The state highway fuels sales tax generated \$1,534,941,100 during the fiscal year 2018–2019. The Florida Department of Transportation received \$1,440,460,000 of the highway fuel sale tax revenue, 15% or \$216,069,000 of which is dedicated to mass transit. Of the remaining \$94,481,100 of revenue, funds are used to pay administrative costs of the tax, refunds for off-road fuel-uses, and a series of diversions. Here is a list of those diversions: \$15,900,000 for the Fish and Wildlife Conservation Commission, \$8,080,000 for the Agricultural Emergency Eradication Trust Fund, \$6,300,000 for aquatic weed control, \$5,477,000 for municipal, county and school district refunds, and \$677,000 in refunds for fuel used by city-level mass transit.

The SCETS tax generated \$857,900,000 in revenue during the fiscal year 2018–2019. SCETS tax revenue is deposited into the Fuel Tax Collection Trust Fund, where 0.65%, or \$5,576,350, of SCETS tax revenue is transferred to the Agricultural Emergency Eradication Trust Fund. The remaining \$852,323,650 of SCETS revenue is deposited into the State Transportation Fund (STF) to be spent in the transportation district where the revenue was generated. Fifteen percent of SCETS tax revenue in the STF is dedicated to mass transit, which would equate to \$127,848,548.

In total, the state highway fuels sales tax and the SCETS tax generate \$2,292,783,650 for the Florida DOT, with \$343,917,548 being dedicated for mass transit.

TABLE A4: FLORIDA MOTOR FUEL TAX BREAKDOWN

MFT Revenue (FY18-19):	\$2,843,316,758
MFT from Constitutional, County, Municipal Taxes:	\$450,475,658
MFT to Municipal, County and School Board Refunds:	\$402,000, 0.0%
SCETS Tax Revenue:	\$857,900,000
SCETS to Agricultural Emergency Eradication Fund:	\$5,576,350, 0.2%
SCETS to FDOT:	\$852,323,650
SCETS to FDOT, Dedicated Mass Transit:	\$127,848,548, 4.5%
State Highway Fuels Sales Tax Revenue:	\$1,534,941,100
Fish and Wildlife Conservation Commission:	\$15,900,000, 0.6%

Agricultural Emergency Eradication Trust Fund:	\$8,080,000, 0.3%
Aquatic Weed Control:	\$6,300,000, 0.2%
Municipal, County and School District Refunds:	\$5,477,000, 0.2%
Refunds to City-Level Mass Transit:	\$677,000, 0.0%
Fuels Sales Tax to FDOT:	\$1,440,460,000
Fuels Sales Tax to FDOT, Dedicated Mass Transit:	\$216,069,000, 7.6%
Total Diversions	\$385,927,898, 13.6%

GEORGIA



Georgia levies gasoline and diesel excise taxes at rates of \$0.279 and \$0.313 per gallon respectively. All of the MFT is deposited into the Motor Fuel Fund, a fund dedicated to roads and bridges that covers the costs of capital projects, operations, routine maintenance, debt payments and other related expenses. Accordingly, no MFT revenue is diverted. Prior to 2015, Georgia counties could enact special purpose local option sales taxes that taxed gasoline and were used for other purposes. The last of these local option sales taxes will expire in 2025. Because these taxes are collected on behalf of and allocated by local governments, these local taxes are not included in the scope of this brief.

HAWAII



Hawaii levies a statewide excise tax on gasoline and diesel at a rate of \$0.16 per gallon, a separate motor fuel tax to mitigate the environmental impacts of fuel use, and a state-administered and distributed local MFT. The statewide excise tax on liquid fuel from road vehicles is deposited into the State Highway Fund (SHF). The state-administered local MFT is allocated to each county based on the rate adopted by the county and population.

IDAHO



Idaho levies a \$0.32 per-gallon excise tax on gasoline and diesel, as well as a separate \$0.01 per-gallon Petroleum Clean Water Trust Fund Transfer Fee. Roughly two-thirds of the MFT revenue is considered a dedicated fund within the Idaho Department of Transportation, and is used properly for roads and highways. The remaining third of MFT revenue is transferred to local governments. There are no diversions of MFT revenue to state-administered local transit programs, but a comprehensive outline of county and municipal transportation spending is beyond the scope of this brief.

ILLINOIS



Illinois levies a \$0.38 per-gallon excise tax on gasoline, a \$0.455 per-gallon excise tax on diesel, a \$0.003 Underground Storage Tank (UST) Fee and a \$0.008 Environmental Impact Fee (EIF). The UST Fee and EIF are both deposited into Illinois' Underground Storage Tank Fund, which is administered by the Illinois Environmental Protection Agency. Besides allocations that cover the administrative cost of the excise taxes, all excise tax revenue is allocated to the dedicated Motor Fuel Fund. Within the Motor Fuel Fund, gas taxes are separated into the following accounts: the road and highway dedicated State Construction Account, the Motor Fuel Tax Account, the Counties Account, the Municipalities Account and the Township and Road Districts Account. Illinois has no diversions of MFT revenue.

INDIANA



Indiana levies a \$0.30 per-gallon excise tax on gasoline, a \$0.49 per-gallon excise tax on diesel, a gasoline use tax currently at a rate of 7% (the price excludes state and federal taxes), and a \$0.01 per-gallon inspection fee. Total MFT revenue was \$1,404,606,039 for the fiscal year 2018. In Indiana, MFT revenue is considered a dedicated fund and is allocated for state-level highway projects or to local-level road funds. There are no diversions of MFT revenue in Indiana.

IOWA



Iowa levies a \$0.305 per-gallon excise tax on gasoline and a \$0.325 per-gallon excise tax on diesel. In total, Iowa collected \$726,940,170 in MFT revenue for the fiscal year 2018. After \$77,206,244 in agricultural-related refunds and administrative costs, all \$663,100,000 in remaining MFT revenue was deposited into the Road Use Tax Fund (RUTF) along with driver registration fee revenue and other miscellaneous driver-related revenue. The RUTF is, in turn, allocated to a slew of other funds, including the Primary Road Fund, the Highway Improvement Program and local government road funds. The RUTF is used completely for roads and highways. Accordingly, no MFT revenue is diverted.

KANSAS



Kansas' per-gallon MFT has two components: a statewide MFT and local level taxes that are collected and distributed by the state. All local level MFT revenue is deposited into the Special City and County Highway Fund, as well as the County Equalization and Adjustment Fund; the latter fund exists to make sure local-level MFT revenue is allocated to counties at proper proportions. State-level MFT revenue—\$305,605,000 for FY2019—was deposited into the State Highway Fund (SHF). MFT revenue made up 19.3% of the total \$1,583,049,000 SHF in FY2019, with remaining revenue coming from vehicle registration and permit fees, intergovernmental sources, sales and use taxes, investment earnings and other small miscellaneous sources.

As the general fund for the Kansas DOT, the SHF allocates \$73,566,000 to the Transportation Planning and Modal Support Division (TPMSD), meaning a proportional \$14,198,278 of MFT revenue is allocated to that division. The only diversion within that division is an allocation for transit, which is \$34,874,392 overall and \$6,730,758 specifically from MFT. The remainder of MFT diversions in Kansas are “unreportable expenses,” which are allocations of the SHF to other state departments. Relevant to calculating diversion are the transfers to the Highway Patrol, the Department of Education, the Department of Administration for debt servicing on state capitol renovations and to the Department of Aging and Disability Services for mental health grants. The exact monetary amounts are provided below. Also, allocation of the SHF change yearly; for FY2020, a total of \$90 million from special and general revenues

were transferred to the Department of Education in order to eliminate the State Highway Fund's contribution to education funding.

TABLE A5: KANSAS MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue (FY19):	\$459,158,000
Local-Level Portion of MFT Revenue:	\$153,553,000
State MFT Revenue, all to SHF (FY19):	\$305,605,000
SHF Revenue (FY19):	\$1,583,049,000
Percentage of STF from MFT Revenue:	19.3%
SHF to Highway Patrol:	\$53,303,000
MFT to Highway Patrol:	\$10,287,479, 2.2%
SHF to Education:	\$45,225,000
MFT to Education:	\$8,728,425, 1.9%
SHF to Transit:	\$34,874,392
MTF to Transit:	\$6,730,758, 1.5%
SHF to Debt Services for Statehouse Renovations:	\$18,254,000
MFT to Debt Services for Statehouse Renovations:	\$3,523,022, 0.8%
SHF to Mental Health Grants:	\$9,950,000
MTF to Mental Health Grants:	\$1,920,350, 0.4%
Total Diversions	\$31,190,034, 6.8%

KENTUCKY



Kentucky's MFT is composed of an excise tax on gasoline and diesel at rates of \$0.246 and \$0.216 per gallon respectively. Kentucky levies a separate \$0.014 per-gallon petroleum storage tank environmental assurance fee. For fiscal year 2018, all \$764,900,000 of MFT revenue was deposited in the Road Fund, along with revenue from the vehicle usage tax, and a 6% tax issued whenever the title of a car is transferred, as well as miscellaneous sources. MFT revenue made up 50.6% of the \$1,511,000,000 Road Fund in fiscal year 2018.

From the total Road Fund, \$834,664,012 is allocated to state highways and \$339,191,330 is allocated via revenue sharing to local-level road programs. Of the remaining \$337,144.658 in the Road Fund, revenue is allocated for expenses of administering the gas tax, debt services, and non-road, non-highway diversion. The diversions of the Road Fund

total \$164,716,476, with a proportional \$84,005,403 coming from MFT revenue. Below is a breakdown of each individual diversion.

TABLE A6: KENTUCKY MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue (FY18):	\$764,900,000
Road Fund (RF) Revenue (FY18):	\$1,511,000,000
Percentage of RF from MFT Revenue:	50.6%
RF to State Police Operations:	\$78,400,000
MFT to State Police Operations:	\$39,670,400, 5.2%
RF to Secretary of State General Administration:	\$74,651,200*
MFT to Secretary of State General Administration:	\$37,773,507, 4.9%
RF to Kentucky Vehicle Enforcement:	\$10,196,700
MTF to Kentucky Vehicle Enforcement:	\$5,159,530, 0.7%
RF to Administrative Services for Finance Postal Services:	\$448,100
MFT to Finance Postal Services:	\$226,739, 0.0%
RF to Kentucky Artisan Center at Berea:	\$445,200
MFT to Kentucky Artisan Center at Berea:	\$225,271, 0.0%
RF to Energy Recovery Road Fund:	\$304,874
MFT to Energy Recovery Road Fund:	\$154,266, 0.0%
RF to Governor's Office of Homeland Security:	\$270,400
MFT to Governor's Office of Homeland Security:	\$136,822, 0.0%
Total Diversions	\$83,346,535, 10.9%

*This allocation does not cover the administrative costs of the MFT, but instead is allocated to a slew of 22 services and sub-departments, including the Office of Minority Affairs, Graphic Design and Printing, Office of Personnel Management, as well as public relations efforts.

LOUISIANA



Louisiana levies a \$0.20 per-gallon excise tax on gasoline and diesel. Additionally, Louisiana levies a separate \$0.0000125 per-gallon petroleum products fee and a \$0.00008 per-gallon motor fuel delivery fee, both of which are not included in the diversion calculation. For fiscal year 2017–2018, Louisiana's petroleum taxes generated \$606,257,150 in revenue, with \$4,416,240 in revenue coming from those aforementioned separate fees. Actual MFT revenue was \$601,840,910 and was

allocated as follows: \$0.16 per gallon to the regular account of the Transportation Trust Fund (TTF) and \$0.04 per gallon to the Transportation Trust Fund's TIMED account.

The \$0.04 per-gallon portion of the MFT revenue, accounting for \$120,368,182, is deposited to the Transportation Infrastructure Model for Economic Development (TIMED) fund, which funds debt services on 16 specific road and bridge projects that date from 1990.

The \$0.16 per-gallon portion of the gas tax, accounting for \$481,472,728 of the MFT revenue, is deposited into the TTF's regular account as a dedicated fund. The dedicated funds, however, must be used for transportation generally, not roads in particular. The TTF's regular account had a total of \$636,400,000 for the fiscal year 2018, including MFT revenue, vehicles licenses fees, weight permit fees and interest permits. MFT revenue made up 75.7% of the TTF's regular account.

As the \$0.04 per-gallon portion of MFT revenue is insufficient in covering debt servicing costs for those projects, \$11,100,000 in additional MFT revenue was also allocated to the TIMED fund in fiscal year 2018. Remaining funds in the TTF's regular account are \$625,300,000 with \$470,372,728 or 75.2% from MFT revenue.

The only diversion of TTF funds, and accordingly MFT revenue, occurs within a statutory \$46,400,000 dedication to the Parish Transportation Fund (PTF), a fund that generally is allocated to local road projects. The PTF, however, allocated \$4,955,000 of TTF regular funds to the Mass Transit Program for eligible cities and parishes. MFT revenue makes up 75.2% or \$3,726,160 of that specific allocation, which is a diversion of 0.6% of MFT revenue.

TABLE A7: LOUISIANA MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue (FY18):	\$601,840,910
\$0.04 Portion Revenue:	\$120,368,182
Initial \$0.16 Portion Revenue:	\$481,472,728
Initial TTF's Regular Account Total:	\$636,400,000
After Initial \$11,100,000 of Dedicated MTF to TIMED Debt Services:	
\$0.16 Portion Revenue:	\$470,372,728
TTF's Regular Account Balance:	\$625,300,000
Percentage of TTF Balance from \$0.16 Portion:	75.2%
TTF's Regular Account to Mass Transit Program:	\$4,955,000
\$0.16 Portion of MFT Revenue to Mass Transit Program:	\$3,726,160
Total MFT Diversion Rate to Mass Transit Program:	0.6%
Total Diversions	\$3,726,160, 0.6%

MAINE



Maine levies an excise tax on gasoline and diesel at rates of \$0.30 and \$0.312 per gallon respectively, as well as a separate fee for the Coastal and Inland Water and Groundwater Fund at a rate of \$0.014 per gallon for gasoline and \$0.0067 per gallon for diesel. For fiscal year 2018, MFT revenue from the excise tax was \$259,278,445. Initially, \$9,717,252 of MFT was refunded for those who filed for off-road fuel use refunds. The remaining MFT revenue of \$249,561,193 is allocated to the Highway Fund, the TransCap Fund used to fund state and local capital construction projects, a series of off-highway fuel use funds such as the Snowmobile Trail Fund and the Boating Facilities Fund.

All diversions of MFT occur within the Highway Fund, which contains a total of \$186,154,953 of MFT revenue out of a total of \$334,000,000 that included registration fees, road use taxes and other miscellaneous income. Within the Highway Fund, MFT is transferred annually to other executive departments to cover the costs of administering the tax. These transfers, however, also contain diversions to the Department of Public Safety and to the Department of Environmental Protection. For fiscal year 2018, there was also an additional one-time diversion to the Office of the Secretary of State to fund part of the implementation of the REAL ID program. Below is a breakdown of all relevant data relating to the diversion rate.

TABLE A8: MAINE MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue (FY18):	\$259,278,445
MFT Revenue to the Highway Fund (HF):	\$186,154,953
Total HF Revenue:	\$334,000,000
Percentage of HF from MFT Revenue:	55.7%
HF to Department of Public Safety:	\$30,422,757
MFT to the Department of Public Safety:	\$16,945,476, 6.5%
HF to the Department of Environmental Protection:	\$33,054
MFT to the Department of Environmental Protection:	\$18,411, 0.0%
Total HF to the Office of the Secretary of State:	\$37,900,423
Total MFT to the Office of the Secretary of State:	\$21,110,536*
HF to the Implementation of Real ID:	\$343,853
MFT to the Implementation of Real ID:	\$191,526, 0.1%
Total Diversions	\$17,155,413, 6.6%

*The total allocation to the Office of the Secretary of State covers general administrative costs associated with the taxes that provide revenue for the Highway Fund, and accordingly does not constitute a diversion outside of the one-time implementation of REAL ID.

MARYLAND



Maryland levies a motor fuel excise tax that is currently \$0.262 per gallon for gasoline and \$0.2695 for diesel, as well as a \$0.105 per-gallon sales and use tax on motor fuel. The rate of the excise tax is pegged to increases in the Consumer Price Index. Overall MFT revenue was \$1,126,049,284 for the fiscal year 2018, with all revenue being deposited into the Gasoline and Motor Vehicle Revenue Account (GMVRA). That account contains a total of \$2,505,461,000 in funds from MFT, a motor vehicle titling tax, a sales tax on rental vehicles, registration fees and corporation income taxes.

Within the GMVRA, MFT revenue is initially separate from the general pool of funds and allocated to cover the \$10,748,615 costs of administering the gas tax. It diverts to both the Chesapeake Bay Trust Fund and the Waterway Improvement Fund at the respective amounts of \$12,936,000 and \$2,812,000.

While MFT remains separate from other GMVRA funds, \$322,679,000 of the MFT revenue from road vehicles is allocated to the Transportation Trust Fund (TTF), with an additional \$1,206,000 of MFT revenue from aviation fuel allocated to the TTF as well.

Remaining in the GMVRA after initial allocations of MFT and the other revenue sources is a total of \$1,856,779,593. MFT revenue makes up \$775,667,669 or 41.8% of the remaining GMVRA. Next the GMVRA deposits \$550,000 to the Maryland Department of Environment, \$1,370,253 for administration costs, \$8,927,314 to the Maryland State Police Auto Safety Fund and \$29,382,026 to the Maryland State Police Commercial Vehicle Fund; MFT revenue makes up a proportional \$229,900, \$572,766, \$3,731,617 and \$12,281,687 respectively of these allocations.

At this point, the GMVRA contains \$1,816,548,000, with \$758,851,699 or 41.8% of overall MFT revenue. Counties and municipalities receive \$174,388,608 of the remaining GMVRA funds, while the Maryland DOT receives the remainder of \$1,642,159,392. The expenses of local governments are beyond the scope of this brief. The \$1.64 billion to the state DOT, which contains \$686,422,626 in MFT revenue, is deposited into the TTF.

The TTF now contains \$1,009,101,626 in MFT from the various steps of the allocation process, which is 20.8% of the \$4,856,709,462 total TTF. There is also \$1,206,000 of MFT revenue from aviation fuel in the TTF, but for the sake of calculating a diversion, this amount is being kept separate.

TABLE A9: MARYLAND MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue (FY18):	\$1,126,049,284
Initial Total of the GMVRA:	\$2,505,461,000
Initial Allocation from MFT Specifically	
MFT to Gas Tax Administration:	\$10,748,615
MFT to Chesapeake Bay Fund:	\$12,936,000, 1.2%
MFT to Waterway Improvement Fund:	\$2,812,000, 0.2%
Initial Transfers of MFT to the TTF:	\$322,679,000
MFT from Aviation to the TTF:	\$1,206,000
GMVRA After Initial Allocation of Specific Revenues to Specific Funds	
Remaining GMVRA Balance:	\$1,856,779,593
Remaining MFT in the GMVRA:	\$775,667,669
MFT Portion of Remaining GMVRA Balance:	41.8%
GMVRA to MD Dept. of Environment:	\$550,000
MFT to MD Dept. of Environment:	\$229,900, 0.0%
GMVRA to Admin. Expenses:	\$1,370,253
MFT to Admin. Expenses:	\$572,766
GMVRA to MD State Police—Auto Safety:	\$8,927,314
MFT to MD State Police—Auto Safety:	\$3,731,617, 0.3%
GMVRA to State Police—Commercial Vehicles:	\$29,384,026
MFT to State Police—Commercial Vehicles:	\$12,281,687, 1.1%
GMVRA to Counties and Municipalities:	\$174,388,608
MFT to Counties and Municipalities:	\$72,894,438
GMVRA to the MDDOT's TTF:	\$1,642,159,392
MFT to the MDDOT's TTF:	\$684,422,626
Allocation of TTF Funds That Constitute MFT Diversions	
Total MFT to the TTF:	\$1,009,101,626
Total TTF Revenues:	\$4,856,709,462
Percentage of TTF from MFT:	20.8%
TTF to WMATA Operations:	\$365,284,953
MFT to WMATA Operations:	\$75,979,270, 6.7%
TTF to WMATA Capital Projects:	\$155,922,000
MFT to WMATA Capital Projects:	\$32,431,776, 2.9%
TTF to Office of Transportation Tech Services:	\$45,753,011
MFT to Office of Transportation Tech Services:	\$9,516,626, 0.8%
TTF to Info. Tech. Development Projects:	\$3,382,237
MFT to Info. Tech. Development Projects:	\$703,505, 0.1%

TTF to Port Administration:	\$91,721,000
MFT to Port Administration:	\$19,077,968, 1.7%
TTF to MTA Transit Admin:	\$87,260,852
MFT to MTA Transit Admin:	\$18,150,257, 1.6%
TTF to MTA Bus Ops:	\$412,411,959
MFT to MTA Bus Op:	\$85,781,687, 7.6%
TTF to MTA Rail Ops:	\$200,731,933
MFT to MTA Rail Ops:	\$41,752,242, 3.7%
TTF to MTA Facilities and Capital Equipment:	\$168,415,000
MFT to MTA Facilities and Capital Equipment:	\$35,030,320, 3.1%
TTF to MTA Statewide Programs Operations:	\$68,187,707*
MFT to MTA Statewide Programs Operations:	\$14,183,043, 1.3%
TTF to MTA Major Tech Projects:	\$3,624,000
MFT to MTA Major Tech Projects:	\$753,792, 0.1%
Total Diversions	\$365,351,781, 32.5%

*MTA Statewide Programs Operations refers to a set of programs that transport elderly and disabled individuals.

MASSACHUSETTS



Massachusetts levies a \$0.24 per-gallon MFT, and a separate \$0.025 per-gallon underground storage tank delivery fee. All MFT revenue, which is projected to be \$846,700,000 for fiscal year 2019–2020, is deposited into the Commonwealth Transportation Fund (CTF), which serves as the general fund for the Massachusetts DOT. MFT revenue makes up 35.4% of the CTF's \$2,390,600,000 of project funds, which also includes registration fee revenues, motor vehicle sales tax revenue and other miscellaneous fees. Toll road revenue, as well as federal grants and other sources, are deposited into a separate Massachusetts Transportation Trust Fund. (MTTF).

For fiscal year 2020, \$1,441,193,676 of the CTF is budgeted for debt servicing on bridge projects from 2008, harbor tunnel debt and miscellaneous transportation debt financing. Accordingly, a proportional \$510,182,561 or 60.3% of MFT is allocated for debt servicing. Debt servicing for road projects is not a diversion of MFT. The exact breakdown of Massachusetts' transportation debt is complicated and beyond the scope of this brief, but it

is important to note that a portion of this debt financing may well be for mass transit projects that would constitute a diversion if specific numbers were readily available.

To calculate Massachusetts' MFT diversion rate, this brief provides Table A10, which shows allocations within the CTF that constitute diversions, as well as the portion of MFT used in each instance. These diversions include large transfers of funds to the Massachusetts Bay Transportation Authority (MBTA) and to the MTTF for mass transit.

TABLE A10: MASSACHUSETTS MOTOR FUEL TAX BREAKDOWN

CTF Total Revenue:	\$2,390,600,000
MFT Revenue (FY20):	\$846,700,000
Percentage of the CTF from MFT Revenue:	\$35.4%
CTF to 2008 Bridge Debt Servicing:	\$209,681,676
MFT to 2008 Bridge Debt Servicing:	\$74,227,313, 8.8%
CTF to Harbor Tunnel Debt:	\$69,956,237
MFT to Harbor Tunnel Debt:	\$24,764,508, 2.9%
CTF to Misc. Transportation Debt:	\$1,161,555,763
MFT to Misc. Transportation Debt:	\$411,190,740, 48.6%
CTF to Debt in Total:	\$1,161,555,763
MFT to Debt in Total:	\$510,182,561, 60.3%
CTF Transfer to MTTF for Mass Transit:	\$345,154,803
MFT to MTTF for Mass Transit:	\$122,184,800, 14.4%
CTF to the MBTA:	\$127,000,000
MFT to the MBTA:	\$44,958,000, 5.3%
CTF to Regional Transit Authorities:	\$90,500,000
MFT to Regional Transit Authorities:	\$32,037,000, 3.8%
CTF to the Insurance Merit Rating Board:	\$10,168,209
MFT to the Insurance Merit Rating Board:	\$3,599,546, 0.4%
Total Diversions	\$202,779,345, 23.9%

MICHIGAN



Michigan's MFT comes in two general parts, a per-gallon excise tax and a statewide 6% sales tax on gasoline, the latter taxes constituting the initial price of gasoline and the federal gas tax. For fiscal year 2018, total MFT revenue was \$2,268,300,000, with \$1,466,200,000 or 64.6% from the excise tax and \$802,100,000 or 35.4% from the sales tax component. The sales tax and the per-gallon excise tax are allocated separately.

By statute, the sales tax is allocated as follows: 73.3% to the School Aid Fund, 10.0% to municipalities, and 4.7% to the Comprehensive Transportation Fund (CTF), which funds mass transit; the remaining 12.0% can be allocated to both municipalities and the state's general fund. As the general fund may be used for transportation, and because municipalities are outside the scope of this brief, that remaining 12.0% is not considered a diversion.

The per-gallon excise tax revenue is deposited into the Michigan Transportation Fund (MTF), which allocates it toward highways, municipal grants, the CTF, local transit agencies and other expenses. The \$1,466,200,000 of MFT revenue in the MTF accounts for 52.0% of the total \$2,819,450,000 funds available in the MTF, which also contains revenue from motor vehicle registration fees and vehicle title fees. The following allocations of the MTF represent diversions of MFT revenue.

TABLE A11: MICHIGAN MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue:	\$2,268,300,000
Sales Tax Revenue:	\$802,100,000
Percentage of MFT Revenue from Sales Tax:	35.4%
Percentage of Sales Tax to School Aid Fund:	73.3%
Sales Tax to the School Aid Fund:	\$587,939,300
Overall Diversion Rate to School Aid Fund:	25.9%
Percentage of Sales Tax to the CTF:	4.7%
Sales Tax to the CTF:	\$37,698,700
Diversion Rate to CTF:	1.7%
Total MFT Revenue:	\$2,268,300,000
Excise Tax Revenue:	\$1,466,200,000
Percentage of MFT Revenue from Sales Tax:	64.6%

MTF to Local Rail Programs:	\$28,577,800
Excise Tax to Local Rail Programs:	\$14,860,456
Overall Diversion Rate:	0.7%
MTF to CTF:	\$249,906,600
Excise Tax to CTF:	\$129,951,432
Overall Diversion Rate:	5.7%
Excise Tax and Sales Tax to CTF:	\$167,650,132, 7.4%
MFT Revenue (FY18):	\$2,268,300,000
School Aid Fund:	\$587,939,300, 25.9%
Comprehensive Transportation Fund:	\$167,650,132, 7.4%
MDOT Local Agency Programs, Rail:	\$14,860,456, 0.7%
Total Diversions	\$770,449,888, 33.9%

MINNESOTA



Minnesota levies a \$0.285 per-gallon excise tax on motor fuel. Minnesota also occasionally levies a separate and temporary fee meant to address the environmental impacts of petroleum storage; in 2018, for example, the “clean-up” fee was only charged in February, March, April and May. For fiscal year 2019, MFT revenue was \$937,600,000. Initially, \$23,300,000 or 2.5% of MFT revenue is allocated for non-road and non-highway vehicle use, such as ATV and snowmobile trails. The remaining \$914,300,000 of MFT revenue is deposited into the dedicated Highway Users Tax Distribution (HUTD) Fund, along with revenue from vehicle sales taxes, lease taxes and sales taxes on vehicle-related purchases. There are no diversions of MFT in Minnesota, as the HUTD Fund is allocated to the following dedicated road funds: the County State-Aid Highway Fund, the Municipal State-Aid Street Fund, the Flexible Highway Account, the Town Road Account and the Town Bridge Account.

MISSISSIPPI



Mississippi levies statewide a \$0.18 per-gallon motor fuel tax and a \$0.004 per-gallon environmental protection fee. Additionally, the state of Mississippi administers, collects and distributes a \$0.03 per-gallon Seawall tax on behalf of Hancock, Harrison and Jackson counties. Relevant to calculating a diversion rate is the \$0.18 per-gallon MFT. All MFT revenue is allocated to the Mississippi

DOT for roads and highways, to local governments for roads, or to the County Coastal Road Protection program. There are no diversions of MFT revenue in Mississippi.

MISSOURI



Missouri levies a \$0.17 per-gallon excise tax on motor fuel. For fiscal year 2019, MFT revenue was \$728,498,702. All revenue is deposited in the Motor Fuel Tax Fund, which is a dedicated account that in turn allocates to local governments for road projects and the State Highway and Transportation Department (SHTD) Fund. In that fund, MFT revenue is allocated exclusively for highway construction, operation, administration and safety programs.

MONTANA



Montana levies a \$0.32 per-gallon gasoline excise tax and a \$0.2945 per-gallon diesel excise tax. Montana also levies a \$0.0075 per-gallon environmental clean-up fee on motor fuel, the revenue from which is allocated to environmental programs. MFT revenue for fiscal year 2018 was \$175,393,00. All MFT revenue was allocated to the state DOT and used properly on roads, bridges and highways.

NEBRASKA



Nebraska levies a motor fuel excise tax that is currently at a rate of \$0.293 per gallon. The excise tax is composed of a \$0.148 per-gallon fixed rate tax, a 5% tax on the average cost of wholesale gasoline in the previous six-month period, and a variable portion that is adjusted semi-annually to allow MFT revenue to meet appropriation needs. MFT revenue for fiscal year 2019 was \$268,659,000. MFT revenue is deposited in both the Highway Cash Fund and the Highway Allocation Fund. The Highway Cash Fund is distributed to cities and municipalities for road projects. Highway Allocation Fund revenue is allocated for state-level highway construction, maintenance and administration. There are no diversions of MFT revenue in Nebraska.

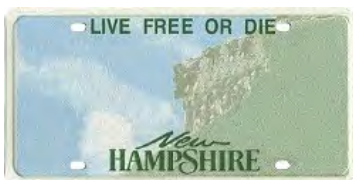
Nebraska also levies per-gallon environmental mitigation fees on petroleum; the revenue from this tax is deposited into the Petroleum Release Remedial Action Collection Fund.

NEVADA



The state of Nevada levies a statewide excise tax on gasoline at a rate of \$0.23 per gallon, and on diesel at a rate of \$0.27 per gallon, as well as a \$0.0075 per-gallon petroleum clean-up fee and a \$0.00055 per-gallon petroleum inspection fee. Individual counties also levy their own excise tax on motor fuels. State-level MFT revenue was \$210,600,000 for fiscal year 2018, all of which was deposited into the Highway Fund. The Highway Fund also receives federal aid and bonding revenue, with the overall fund revenue being \$1,280,200,000 for 2018. All revenue in the Highway Fund is used properly on highways.

NEW HAMPSHIRE



New Hampshire levies a \$0.222 per-gallon excise tax on motor fuel, and two separate petroleum mitigation fees: a \$0.00125 per-gallon fee for the Oil Pollution Control Fund and a \$0.015 per-gallon Underground Storage Tank Cleanup Fund fee. For fiscal year 2018, MFT revenue was \$123,000,000, all of which was deposited into the Highway Fund. The Highway Fund has a total of \$250,400,000 from MFT revenue, toll road revenue, a \$30 vehicle surcharge, and other miscellaneous income. All revenue in the Highway Fund is used properly on highways and relevant administrative costs. New Hampshire's Highway Fund runs an operational deficit, highlighting the limits of MFT revenue, which consists of 49.1% of the fund, in long-term revenue demands for highways.

NEW JERSEY



Currently, New Jersey levies a motor fuel excise tax on gasoline and diesel at rates of \$0.105 and \$0.013 per gallon respectively. Also, New Jersey levies Petroleum Products Cross receipt tax at a rate of a \$0.309 per gallon for gasoline and \$0.35 for diesel. These separate taxes were adopted at different times, but

effectively comprise one coherent MFT that is collected and allocated together. The effective MFT rates in New Jersey are \$0.309 per gallon for gasoline and \$0.485 per gallon on diesel. The exact rate may be adjusted yearly for inflation or to reach revenue demands.

MFT revenue was \$1,062,400,000 for fiscal year 2018. All MFT revenue was deposited into the Special Transportation Fund, which is also referred to as the Transportation Trust Fund (TTF). The TTF contained a total of \$1,274,700,000 from MFT, sales tax on car sales, tolls, heavy truck fee and miscellaneous driver-related fee revenue. The New Jersey Transportation Trust Fund Authority (TTFA) also raises revenue from bonding to make sure the TTF fulfills its function, which is raising the entirety of state revenue used in the capital program to match federal funds. After bonding is taken into account, total NJTTFA funds are \$2,000,000,000 with \$1,062,400,000 or 53.1% coming from MFT revenue.

For fiscal year 2018, the Statewide Capital Transportation Program allocated \$894,000,000 to the New Jersey DOT, \$676,000,000 to NJ Transit and \$430,000,000 to local government aid. All TTFA funds in the New Jersey DOT are used properly for road and highway capital projects. There are, however, three small diversions within the local aid program to Transit Village Grants, Bikeway Grants and Safe Streets to Transit Grants, each of which is \$1,000,000, with a proportional \$531,000 from MFT revenue each.

The entire \$676,000,000 allocation of TTFA funds to New Jersey Transit is a diversion of various driver-related fees and taxes revenues. A proportional \$358,956,000 of that allocation comes from MFT revenue, which accounts for 33.8% of total MFT revenue. A further breakdown of that diversion into line-item allocations can be found below.

TABLE A12: NEW JERSEY MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue:	\$1,062,400,000
Total TTFA Funds:	\$2,000,000,000
Percentage of TTFA Funds from MFT:	53.1%
TTFA to Local Aid Programs:	\$430,000,000
MFT to Local Aid Programs:	\$228,330,000
TTFA to Transit Village Grants:	\$1,000,000
MFT to Transit Village Grants:	\$531,000, 0.0%
TTFA to Bikeway Grants:	\$1,000,000
MFT to Bikeway Grants:	\$531,000, 0.0%
TTFA to Safe Streets to Transit Grants:	\$1,000,000
MFT to Safe Streets to Transit Grants:	\$531,000, 0.0%

TTFA to New Jersey Transit:	\$676,000,000
MFT to NJ Transit:	\$358,956,000, 33.8%
TTFA to NJ Transit Rail Infrastructure Needs:	\$201,000,000
MFT to NJ Transit Rail Infrastructure Needs:	\$106,731,000, 10.0%
TTFA to NJ Transit, Bus and Light Rail Investment:	\$168,000,000
MFT to NJ Transit, Bus and Light Rail Investment:	\$89,208,000, 8.4%
TTFA to NJ Transit, Rail Rolling Stock Improvement:	\$109,000,000
MFT to NJ Transit, Rail Rolling Stock Improvement:	\$57,879,000, 5.5%
TTFA to NJ Transit, Other Expenses:	\$103,000,000
MFT to NJ Transit, Other Expenses:	\$54,593,000, 5.1%
TTFA to NJ Transit, Rail Improvement:	\$47,000,000
MFT to NJ Transit, Rail Improvement:	\$24,957,000, 2.3%
TTFA to NJ Transit, Northern Branch Extension:	\$29,000,000
MFT to NJ Transit, Northern Branch Extension:	\$15,399,000, 1.5%
TTFA to NJ Transit, Technology Improvements:	\$9,000,000
MFT to NJ Transit, Technology Improvements:	\$4,779,000, 0.5%
TTFA to NJ Transit, Safety Improvements:	\$6,000,000
MFT to NJ Transit, Safety Improvements:	\$3,186,000, 0.3%
TTFA to NJ Transit, Additional Lightrail Expansions:	\$4,000,000
MFT to NJ Transit, Additional Lightrail Expansions:	\$2,124,000, 0.2%
Total Diversions	\$360,449,000, 33.9%

NEW MEXICO



New Mexico levies an excise tax on gasoline and diesel at the rates of \$0.17 and \$0.21 per gallon respectively. There are no diversions of MFT revenue in New Mexico. In fact, New Mexico may even use its \$300,000,000 to \$400,000,000 statewide budget surplus on roads, as currently revenue sources dedicated to roads do not reach spending projections. Here is a general breakdown of MFT revenue allocation process in New Mexico:

- 0.26% for the State Aviation Fund
- 0.13% for the Motor Fuel Tax Fund
- 10.38% to counties and municipalities directly
- 5.76% to the County Government Road Fund
- 5.76% to the Road Funds of Municipalities

- 1.44% to the Municipal Arterial Program
- \$33,333 a month to the General Fund
- Refunds to Qualified Native American Tribes
- The residuals go to the State Road Fund

NEW YORK



New York levies an excise tax on motor fuel at rates of \$0.0805 per gallon on gasoline and \$0.08 per gallon on diesel, as well as a petroleum business tax at rates of \$0.174 per gallon on gasoline and \$0.1565 per gallon for diesel. New York also levies a separate \$0.0005 per-gallon petroleum testing fee on gasoline and a series of regional and local motor fuel taxes, neither of which is included in overall MFT revenue figures.

For fiscal year 2018, MFT revenue was \$1,600,000,000, of which \$1,000,000,000 or 62.5% is allocated to the dedicated Highway and Bridge Trust Fund. The remaining MFT revenue, \$600,000,000 or 37.5%, is considered dedicated mass transit funds. Dedicated mass transit funds are placed in a special account for any mass transit project, though \$494,000,000 of dedicated MFT mass transit funds go to the Metropolitan Transportation Authority (MTA). The MTA operates the subway in New York City and much of the region’s commuter rail.

TABLE A13: NEW YORK MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue:	\$1,600,000,000
MFT Revenue to Highway and Bridge Trust Fund:	\$1,000,000,000, 62.5%
MFT Revenue Dedicated to Mass Transit:	\$600,000,000, 37.5%
MFT Revenue to the MTA:	\$494,000,000, 30.9%
Total Diversions	\$600,000,000, 37.5%

NORTH CAROLINA



North Carolina levies a \$0.361 per-gallon motor fuel tax and a separate \$0.0025 per-gallon inspection fee. MFT revenue for fiscal year 2018 was \$1,993,032,340, with \$1,415,052,890 or 71.0% deposited into the Highway Fund and \$577,979,379 or 21.0% deposited into the Highway Trust Fund.

The Highway Fund has a total of \$3,503,000,000 from MFT and DMV fee revenue. MFT revenue makes up 40.4% of the Highway Fund. Though predominantly allocated for highway projects, the Highway Fund contains a \$148,000,000 allocation for the Powell Bill Program, which funds municipalities for pedestrian and bicycle road improvements, and a \$100,000,000 for roadside environmental enhancement projects. A proportional \$59,792,000 of MFT revenue is allocated to the Powell Bill Program and a proportional \$40,400,000 of MFT revenue is allocated to roadside environmental projects.

The Highway Trust Fund contains a total of \$1,541,000,000 from MFT, DMV fees and Highway Use Tax revenue. The highway use tax issues a 6.0% tax whenever the title of a vehicle is transferred. MFT revenue makes up 37.5% of the Highway Trust Fund. The Highway Trust Fund is allocated to general overhead, administration and the State Transportation Improvement Program (STIP). The STIP accounts for \$1,362,000,000 of the Highway Trust Fund and most of the STIP is allocated directly to highway projects. Within state revenue allocated in the STIP are a series of small diversions, which are delineated below. As the STIP state funding comes from the Highway Trust Fund, MFT revenue makes up 37.5% of both the Highway Trust and the STIP projects outlined below.

TABLE A14: NORTH CAROLINA MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue:	\$1,993,032,340
MFT Revenue to Highway Fund:	\$1,415,052,890
Total Highway Fund:	\$3,503,000,000
Percentage of Highway Fund from MFT:	40.4%
Highway Fund to Powell Bill Program:	\$148,000,000
MFT to Powell Bill Program:	\$59,792,000, 3.0%
Highway Fund to Roadside Projects:	\$100,000,000
MFT to Roadside Projects:	\$40,400,000, 2.0%
MFT Revenue to the Highway Trust Fund:	\$577,979,329
Total Highway Trust Fund:	\$1,541,000,000
Percentage of Highway Trust Fund from MFT:	37.5%
Highway Trust Fund to STIP:	\$1,362,000,000
MFT to STIP:	\$510,750,000
STIP: Durham Transportation Alternatives (TAs):	\$9,045,000
MFT to Durham MPO, TAs:	\$3,391,875, 0.2%
STIP: Bike and Pedestrian Programs:	\$2,260,000
MFT to Bike and Pedestrian Programs:	\$847,500, 0.0%
STIP: Greater Hickory MPO, TAs:	\$1,650,000

MFT to Greater Hickory MPO, TAs:	\$618,750, 0.0%
STIP: Winston-Salem MPO, TAs:	\$1,369,000
MFT to Winston-Salem MPO, TAs:	\$513,375, 0.0%
STIP: National Recreational Trails:	\$1,200,000
MFT to National Recreational Trails:	\$450,000, 0.0%
STIP: Statewide Bicycle, Pedestrians Projects:	\$1,000,000
MFT to Statewide Bicycle, Pedestrian Projects:	\$375,000, 0.0%
STIP: State Rail Preliminary Engineering:	\$1,000,000
MFT to State Rail Preliminary Engineering:	\$375,000, 0.0%
STIP: French Broad River MPO, TAs:	\$858,000
MFT to French Broad River MPO, TAs:	\$321,750, 0.0%
STIP: Fonta Flora Trail:	\$626,000
MFT to Fonta Flora Trail:	\$234,750, 0.0%
STIP: Bent Creek Greenway Multi-Use Paths:	\$400,000
MFT to Bent Creek Greenway Multi-Use Paths:	\$150,000, 0.0%
STIP: Fayetteville MPO, TAs:	\$394,000
MFT to Fayetteville MPO, TAs:	\$147,750, 0.0%
STIP: Belk Greenway Connector:	\$138,000
MFT to Belk Greenway Connector:	\$51,750, 0.0%
STIP: Greensboro MPO, TAs:	\$26,000
MFT to Greensboro MPO, TAs:	\$9,750, 0.0%
Total Diversions	\$107,679,250, 5.4%

NORTH DAKOTA



North Dakota levies a \$0.23 per-gallon excise tax on motor fuel. MFT revenue was \$370,300,000 during fiscal years 2017–2018 and 2018–2019. All MFT revenue was deposited in the Highway Tax Distribution Fund (HTDF), which had a total of \$541,500,000; MFT revenue made up 68.4% of the HTDF with revenue from motor vehicle registration fees comprising the remainder. The HTDF diverts MTF to public transportation, the state Highway Patrol and the Ethanol Subsidy Fund.

Some North Dakota state documents estimated the HTDF to contain \$524,400,000 because there is \$17,100,000 in “off the top” allocations before the HTDF is allocated within the state DOT for transportation purposes. The initial \$17,100,000 is allocated for

administrative expenses, the Highway Patrol and the Ethanol Subsidy Fund; the latter two are the aforementioned diversions.

TABLE A15: NORTH DAKOTA MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue (FYs17-19):	\$370,300,000
Total HTDF:	\$541,500,000
Percentage of HTDF from MFT:	68.4%
HTDF to Public Transit:	\$7,866,000
MFT to Public Transit:	\$5,380,344, 1.5%
HTDF to Highway Patrol:	\$6,900,000
MFT to Highway Patrol:	\$4,719,600, 1.3%
HTDF Transfer to Ethanol Subsidy Fund:	\$4,700,000
MFT to Ethanol Subsidy Fund:	\$3,124,800, 0.9%
Total Diversions	\$13,224,744, 3.6%

OHIO



Ohio currently levies an excise tax on gasoline and diesel at rates of \$0.385 and \$0.47 per gallon respectively. These current rates became effective on July 1, 2019, with the prior rates for both fuels being \$0.28 per gallon. For fiscal year 2018, the \$0.28 per gallon excise tax on motor fuel was distributed as follows: \$0.11 per gallon to the Highway Operating Fund to be distributed to cities, counties and townships for road and highway costs, and \$0.17 per gallon to the Gasoline Excise Tax Fund to fund state road and highway projects. There are no diversions of MFT revenue in Ohio.

OKLAHOMA



Oklahoma levies a \$0.19 per-gallon excise tax on motor fuel and a separate \$0.01 per-gallon Underground Storage Tank fee. For fiscal year 2018, MFT revenue was \$485,375,960 and encompassed monies from the following formula: 36.7% to the Oklahoma Department of Transportation, 28.6% to county highways and bridge funds, 11.3% to the general fund, 9.9% to the Turnpike Authority, 7.6% to off-highway fuel use funds, 4.5% transferred to Indian Tribes, 1.2% to municipal road and bridge funds and 0.3%

was classified as general state revenue. The allocation to the general fund and as general state revenue reflect the costs of administering the MFT and refunds.

Within the Oklahoma DOT, the 36.7% or \$174,350,377 of MFT is considered state revenue; the Oklahoma DOT has \$686,898,249 in state revenue, with MFT revenue accounting for 25.4% of that revenue. Other state revenues for transportation come from income tax, bond proceeds, and miscellaneous sources. State funds in the Oklahoma DOT are diverted to public transit and rail.

TABLE A16: OKLAHOMA MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue:	\$1,600,000,000
State Revenue in the Oklahoma DOT:	\$686,898,249
MFT Revenue to the Oklahoma DOT:	\$174,350,377
Portion of OKDOT State Revenue from MFT:	25.4%
Oklahoma DOT State Revenue to Mass Transit:	\$3,850,000
MFT Revenue to Mass Transit:	\$977,130, 0.2%
Oklahoma DOT State Revenue to Passenger Rail:	\$2,850,000
MFT Revenue to Passenger Rail:	\$723,330, 0.2%
Total Diversions	\$1,700,460, 0.4%

OREGON



Oregon’s motor fuel excise tax rate is \$0.34 per gallon. After refunds for off-road uses, MFT revenue was \$586,689,979 for the fiscal year 2018. MFT revenue is constitutionally dedicated to roads and highways. Accordingly, MFT is collected as a special revenue into the Highway Fund but remains distinct and is allocated specifically for roads and highways.

PENNSYLVANIA



Pennsylvania levies an Oil Company Franchise (OCF) Tax at a rate set annually and certified by the Department of Revenue. There is no fixed excise tax on petroleum products in Pennsylvania. Currently, the effective MFT rates are \$0.587 per gallon for gasoline and \$0.752 per gallon for diesel. For fiscal year 2018, MFT revenue was

\$1,855,800,000. MFT revenue is almost exclusively deposited as distinct restricted revenue within the Motor License Fund (MLF), which can only be used on highways and roads. The only two exceptions to this are deposits into the Multimodal Transportation Fund and into the MLF's unrestricted account, which is used for other transportation purposes.

TABLE A17: PENNSYLVANIA MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue:	\$1,855,800,000
MFT Revenue to Multimodal Transportation Fund:	\$35,000,000 1.9%
MFT Revenue—Undedicated Transportation:	\$22,000,000, 1.2%
Total Diversions	\$57,000,000, 3.1%

RHODE ISLAND



Rhode Island levies a \$0.34 per-gallon excise tax on motor fuel and a separate \$0.01 per-gallon environmental protection regulatory fee, with \$0.005 per gallon dedicated to an Underground Storage Tank (UST) program and \$0.005 per gallon going to the Public Transportation Authority.

MFT revenue was \$156,131,387 during fiscal year 2018. The 35 cents per gallon are allocated as follows: 18.25 cents to unrestricted DOT funds, 2 cents to motor fuel bonds within the DOT, 9.75 cents to the Rhode Island Public Transit Authority (RIPTA), 3.5 cents to the Turnpike and Bridge Fund, 1 cent to the Department of Human Services (DHS) and 0.5 cents to the UST program. MFT revenue as an unrestricted fund in the state DOT is diverted to transportation alternatives, pedestrian programs, RIDOT transit and RIDOT general administration.

TABLE A18: RHODE ISLAND MOTOR FUEL TAX BREAKDOWN

MFT Revenue (FY2018):	\$156,131,387
MFT Revenue to RIPTA:	\$43,560,657, 27.9% (9.75 of 35 cents)
MFT Revenue to DHS:	\$4,527,810, 2.9% (1 of 35 cents)
MFT Revenue as Unrestricted DOT Revenue:	\$85,560,000, 52.1% (18.25 of 35 cents)
Total DOT Revenue:	\$590,650,000
DOT Percentage from MFT:	14.5%
DOT to Traffic Safety Capital Program:	\$27,560,000
MFT to Traffic Safety Capital Program:	\$3,996,200, 2.6%

DOT to Transportation Alternatives:	\$18,920,000
MFT to Transportation Alternatives:	\$2,743,400, 1.8%
DOT to Headquarter Operations:	\$15,970,000
MFT to Headquarter Operations:	\$2,315,650, 1.5%
DOT to Transit Operations:	\$5,900,000
MFT to Transit Operations:	\$855,500, 0.5%
Total Diversions	\$57,999,217, 37.1%

SOUTH CAROLINA



South Carolina levies a \$0.22 per-gallon motor fuel excise tax, a separate \$0.0025 per-gallon tank inspection fee and a separate \$0.005 per-gallon environmental clean-up tank fee. MFT revenue for fiscal year 2018–2019 was \$808,000,000.

After refunds, administrative deductions and allocations to counties, state-level revenue was \$664,800,000, of which \$482,000,000 went to the South Carolina DOT, \$154,000,000 went to the Infrastructure Maintenance Fund and \$28,800,000 went to the South Carolina Transportation Infrastructure Bank. The latter two funds were used exclusively used for highway and road projects during fiscal year 2018.

South Carolina's DOT, which also receives state general fund revenues, toll revenue, miscellaneous driver fees and bonding revenue, has a total of \$2,466,000,000 in accessible revenue. MFT revenue accounts for \$482,000,000 or 19.7% of that revenue. The only diversion of MFT revenue occurs when the South Carolina DOT uses its state revenue for Intermodal Planning and Mass Transit.

TABLE A19: SOUTH CAROLINA MOTOR FUEL TAX BREAKDOWN

MFT Revenue (FY18-19):	\$808,000,000
MFT to SCDOT:	\$482,000,000
Total SCDOT State Revenue:	\$2,466,000,000
Percentage from MFT:	19.7%
SCDOT to Intermodal Planning and Mass Transit:	\$37,000,000
MFT to Intermodal Planning and Mass Transit:	\$7,289,000, 0.9%
Total Diversions	\$7,289,000, 0.9%

SOUTH DAKOTA



South Dakota levies a \$0.28 per-gallon motor fuel excise tax and a separate \$0.02 per-gallon tank inspection fee. All MFT revenue, which was \$208,980,515 during the fiscal year 2018, was deposited into the State Highway Fund (SHF), along with revenue from registration fees, port of entry fees and other miscellaneous sources. The SHF contained a total of \$315,300,000, with 66.3% from MFT revenue. While most of the SHF is used properly on highways and roads, some of the SHF is allocated to the Department of Public Safety, which runs the state Highway Patrol, and a loan to the State Rail Fund. Additionally, a portion of the SHF is used for radio communications, which is not considered a diversion because the rural nature of the state requires communications facilitation for the highway system to function.

TABLE A20: SOUTH DAKOTA MOTOR FUEL TAX BREAKDOWN

MFT Revenue (FY18):	\$208,980,515
SHF Total Funds:	\$315,300,000
Percentage of SHF from MFT:	66.3%
SHF to Public Safety:	\$20,474,090
MFT to Public Safety:	\$13,574,322, 6.5%
SHF to State Rail Fund:	\$3,033,269
MFT to State Rail Fund:	\$2,011,057, 1.0%
SHF to Radio Communications:	\$3,447,417
MFT to Radio Communications:	\$2,285,637, 1.1%
Total Diversions	\$15,585,379, 7.5%

TENNESSEE



Tennessee levies an excise tax on gasoline and diesel at respective rates of \$0.26 and \$0.27 per gallon. Additionally, Tennessee levies a \$0.01 per-gallon special petroleum tax on gasoline and a \$0.004 per-gallon environmental assurance fee, with the former composing a part of the overall MFT. MFT revenue was \$1,096,000,000 for fiscal year 2017–2018. MFT is deposited in the Highway Fund, in the general fund, transferred to local governments and allocated for debt services. The general fund portion of MFT revenue accounts for administrative costs of the MFT. There are no diversions of MFT revenue in Tennessee.

TEXAS



Texas levies a \$0.20 per-gallon motor fuel excise tax. Three-quarters of MFT revenue in Texas, after collection and enforcements costs are accounted for, is dedicated to the maintenance and construction of public roads. The remaining quarter, however, is transferred to the School Fund. The data below are for fiscal year 2018.

TABLE A21: TEXAS MOTOR FUEL TAX BREAKDOWN

Total MFT Revenue:	\$3,674,996,627
MFT Refunds:	\$6,017,417
Other MFT Revenue Deductions:	\$26,406,894
Distributable MFT Revenue:	\$3,642,572,316
MFT Dedicated for Roads and Highways:	\$2,742,734,438
MFT to the School Fund:	\$899,837,878, 24.7%
Total Diversions	\$899,837,878, 24.7%

UTAH



Currently, Utah levies a \$0.311 per-gallon motor fuel excise tax and a separate \$0.0001 per-gallon environmental assurance fee. All \$488,893,653 of MFT revenue during the fiscal year 2018 was deposited into the Transportation Fund. MFT revenue is dedicated to road and highway projects, but diversions do occur to adjacent programs. MFT revenue is diverted to the Department of Public Safety for the Highway Patrol, to county and city-level Bus Rapid Transit (BRT) planning that includes lane reconfiguration and sidewalk safety programs, and to the Office of Tourism.

While the Transportation Fund also contains motor vehicle registration fee revenue, MFT revenue makes up the entirety of diverted revenue. Overall, however, MFT revenue accounts for 83.7% of the total \$584,000,000 Transportation Fund.

TABLE A22: UTAH MOTOR FUEL TAX BREAKDOWN

MFT Revenue (FY2018):	\$488,893,653
MFT to Public Safety:	\$5,495,500, 1.1%
MFT to County, City-Level BRT:	\$2,400,000, 0.5%
Sidewalk Safety Programs:	\$500,000, 0.1%
Office of Tourism:	\$118,000, 0.0%
Total Diversions	\$8,513,500, 1.7%

VERMONT



Vermont levies a \$0.121 per-gallon excise tax on gasoline, a \$0.28 per-gallon excise tax on diesel, a \$0.0431 per-gallon Motor Fuel Transportation Infrastructure Assessment fee that is assessed quarterly, a \$0.134 per-gallon Motor Fuel Tax Assessment fee that is assessed quarterly and a \$0.01 per-gallon petroleum licensing fee. All together, MFT revenue was \$108,568,381 for fiscal year 2018.

After refunds for non-road fuel use, \$96,737,069 of MFT revenue was deposited into the Transportation Fund and \$12,195,312 was deposited into the Transportation Infrastructure Bank (TIB). The TIB is entirely composed of motor fuel revenue and contains a single diversion to Vermont Rail Transit.

The Transportation Fund contains other driver-related fees for a total of \$277,600,000, with MFT revenue accounting for 34.7% of the fund. While the Transportation Fund serves as the general fund for the Vermont Agency of Transportation (AOT), some revenue is diverted to other executive departments for State Police expenses and Information centers. Information centers are a diversion because they are designed to facilitate tourists, as other MFT revenue goes specifically to highway rest areas. Within the AOT's allocation of Transportation Fund revenue, there are diversions to bike and pedestrian programs, park and ride facilities, and public transit.

TABLE A23: VERMONT MOTOR FUEL TAX BREAKDOWN

MFT Revenue (FY2018):	\$108,568,381
MFT to TIB:	\$12,195,312
MFT in TIB to Vermont Rail Transit:	\$2,840,249, 2.6%
MFT to Transportation Fund (TF):	\$96,737,069
Total TF:	\$277,600,000

Percentage of TF from MFT:	34.7%
TF to State Police:	\$20,250,000
MFT to State Police:	\$7,026,750, 6.5%
TF to Information Centers:	\$3,886,230
MFT to Information Centers:	\$1,348,522, 1.2%
TF to Public Transit:	\$7,955,199
MFT to Public Transit:	\$2,760,454, 2.5%
TF to Bike & Pedestrian Programs:	\$839,854
MFT to Bike & Pedestrian Programs:	\$291,429, 0.2%
TF to Park & Ride Facilities:	\$210,000
MFT to Park & Ride Facilities:	\$72,870, 0.1%
Total Diversions	\$14,340,274, 13.2%

VIRGINIA



Virginia levies a \$0.162 excise tax on gasoline, a \$0.202 excise tax on diesel, regional per-gallon wholesale taxes and a \$0.006 per-gallon petroleum storage tank fee. For fiscal year 2018, MFT revenue was \$898,700,000. After refunds, deductions and allocations for off-road fuel-use, \$699,000,000 of MFT revenue

was deposited into the Highway Maintenance and Operating Fund (HMOF) and \$180,500,000 was deposited into the Transportation Trust Fund, which is commonly referred to as the Construction Fund. With various driver-related fees, the total initial balance of the HMOF was \$2,031,060,784. With MFT, toll and vehicle fee revenue, the initial balance of the Construction Fund was \$2,470,815,149. MFT made up 7.3% of the Construction Fund and 34.4% of the HMOF.

Before further allocation of revenue, \$158,659,075 from the Construction Fund was transferred to the HMOF; as 7.3% of the Construction Fund, MFT revenue made up \$11,590,492 of that transfer. Remaining in the Construction Fund was \$2,312,156,074 with \$168,909,508 or 7.3% from the Construction Fund. The HMOF now has \$2,189,719,859, with a total of \$710,590,492 or 32.5% from MFT revenue.

A vast majority of the HMOF and the Construction Fund revenues are used on roads and highways. The only diversions occur when the Construction Fund is used for the Department of Rail and Public Transportation (DRPT), and when both funds transfer other revenue to support other state agencies.

TABLE A24: VIRGINIA MOTOR FUEL TAX BREAKDOWN

MFT Revenue:	\$898,700,000
MFT Revenue to Construction Fund:	\$180,500,000
Total Construction Fund:	\$2,470,815,149
Percentage of Construction Fund from MFT:	7.3%
MFT Revenue to HMOF:	\$699,000,000
Total HMOF:	\$2,031,060,784
Percentage of HMOF from MFT:	34.4%
Construction Fund Allocation to the HMOF:	
Construction Fund to HMOF:	\$158,659,075
MFT in CF to HMOF:	\$11,590,492
Net CF Balance:	\$2,312,156,074
Net MFT Balance in CF:	\$168,909,508
Percentage of CF from MFT:	7.3%
New HMOF Balance:	\$2,189,719,859
New HMOF from MFT:	\$710,590,429
New Percentage of HMOF from MFT:	32.5%
Diversions:	
CF to DRPT:	\$11,898,982
MFT to DRPT:	\$868,626, 0.1%
CF Supporting Other State Agencies:	\$20,069,287
MFT from CF to Other State Agencies:	\$1,465,058, 0.2%
HMOF to Other State Agencies:	\$47,434,269
MFT from HMOF to Other State Agencies:	\$15,416,137, 1.7%
Total MFT to Other State Agencies:	\$16,881,195, 1.9%
Total Diversions	\$17,749,821, 2.0%

WASHINGTON



Washington levies a \$0.494 motor fuel tax on gasoline and diesel and a \$0.0003 per-gallon Petroleum Products Tax. For the joint-fiscal years of 2017–2018 and 2018–2019, MFT revenue was \$3,605,000,000.

The revenue is allocated as follows: \$815,000,000 or 24.1% to the Connecting Washington Account, \$709,000,000 or 21.0% to the Motor Vehicle Account, \$582,000,000 to the Transportation Partnership Account, \$342,000,000 or 10.1% to the 2003 Transportation

“Nickle” Account, \$311,000,000 or 9.2% to counties, \$210,000,000 or 6.2% to the Transportation Improvement Board, \$197,000,000 or 5.8% to cities, \$93,000,000 or 2.7% to ferry operations and capital projects, \$71,000,000 or 2.1% to the County Road Administration and \$51,000,000 to the Special Category C Account.

A vast majority of MFT is used properly for roads and highways, with the only diversions occurring within the Connecting Washington Account, the Transportation Partnership Account and the Transportation Improvement Board. While these accounts may contain other revenue, the figures below represent the distinct allocations of MFT revenue as reported by the state of Washington.

Also, as ferries comprise an important part of the motor vehicle transportation across the Puget Sound, this brief does not consider ferry expenses as diversion, but ferry expenses are included below.

TABLE A25: WASHINGTON MOTOR FUEL TAX BREAKDOWN

MFT Revenue (FYs2017-2019):	\$3,605,000,000
MFT to Connecting Washington Account:	\$815,000,000
Fish Barrier Removal Projects:	\$37,500,000, 1.0%
Regional Mobility Grants:	\$25,000,000, 0.7%
Special Needs Transit Grants:	\$25,000,000, 0.7%
Transit Grants (park+ride, buses):	\$13,880,000, 0.4%
Rural Mobility Grants:	\$13,750,000, 0.4%
Pedestrian and Bike Projects:	\$11,130,000, 0.3%
Pedestrian and Bike Safety Projects:	\$9,380,000, 0.3%
Safe routes to School Grants:	\$7,000,000, 0.2%
Commute Trip Reeducation Programs:	\$5,130,000, 0.1%
Vanpool Investments:	\$3,880,000, 0.1%
Ferry Terminals:	\$75,250,000, 2.1%
MFT to Transportation Partnership Account:	\$582,000,000
Small City Sidewalk Programs:	\$2,000,000, 0.0%
MFT to Transportation Improvement Board:	\$210,000,000
Sidewalk Program:	\$16,000,000, 0.4%
Complete Streets Program:	\$14,670,000, 0.4%
LED Street Light Retrofit Program:	\$10,000,000, 0.3%
MFT to Ferry Capital and Operating:	\$93,000,000
MFT to Ferry Capital:	\$46,926,605, 1.3%
MFT to Ferry Operating:	\$46,073,395, 1.3%
Total Diversions	\$194,320,000, 5.4%

WEST VIRGINIA



West Virginia levies an excise tax on motor fuel that is currently at a rate of \$0.205 per gallon, as well as a 5% wholesale tax specifically on gasoline. For fiscal year 2018, MFT revenue was \$419,645,000. All MFT revenue was deposited into the dedicated State Road Fund, which can only be used on road maintenance, operation, administration and debt servicing. West Virginia may also use revenue in the State Road Fund to account for road equipment depreciation. Accordingly, there are no diversions of MFT in West Virginia.

WISCONSIN



Wisconsin levies a \$0.309 per-gallon excise tax on gasoline and diesel and a separate \$0.02 per-gallon petroleum inspection fee. For fiscal year 2017–2018, MFT revenue was \$1,065,937,000. After all refunds, administrative deduction and allocations for off-road fuel use, the remaining \$1,046,050,000 of MFT was deposited into the Transportation Fund (TF). The TF contained a total of \$1,973,290,000 state generated transportation funds, a category that also includes registration fees, driver licenses fees, railroad taxes, aeronautic taxes and a motor carrier tax. MFT revenue made up 53.0% of the TF.

The TF contains diversions to transit, harbors and aeronautic programs. MFT contributes to transit and harbor diversions proportionally at 53.0%. Aeronautic taxes generated \$8,020,000 in revenue, while aeronautic expenses from the TF were \$117,250,000. MFT made up 53.0% of the difference between those two amounts.

TABLE A26: WISCONSIN MOTOR FUEL TAX BREAKDOWN

MFT Revenue (FY2017–2018):	\$1,065,937,000
Transportation Fund Total:	\$1,973,290,000
MFT to TF:	\$1,046,050,00
MFT Percentage of TF:	53.0%
TF to Transit:	\$113,490,000
MFT to Transit:	\$60,149,700, 5.6%
TF to Harbor Aid:	\$10,900,000

MFT to Harbor Aid:	\$5,777,000, 0.5%
Total TF to Aeronautics Aid:	\$117,250,000
Aeronautics Tax Revenue to TF:	\$8,020,000
Non-Aeronautic TF Revenue to Aeronautic Aid:	\$109,230,000
MFT to Aeronautic Aid:	\$57,891,900, 5.4%
Total Diversions	\$123,076,600, 11.5%

WYOMING



Wyoming levies a \$0.23 per-gallon excise tax on motor fuel, as well as a separate \$0.01 per-gallon Underground Storage Tank cleanup fee. All MFT revenue, which was \$162,700,000 for fiscal year 2019, was deposited into the Highway Fund, as well as county and municipal road funds. Revenue from the \$0.01 per-gallon storage tank cleanup fee was deposited into the Leaking Underground Storage Fund. No MFT revenue was diverted within any of the aforementioned funds.

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