The Fuel Tax: An Unsustainable Transportation Revenue Source

FTC Meeting
March 5, 2013
By Mark Reichert
Florida Transportation Commission
TODAY’S OBJECTIVE

- Overview of transportation funding in Florida
- What’s staring us in the face
- Become an advocate
State Fuel Taxes
$1,801.2
30.5%

Aviation Fuel Tax
$13.4
0.2%

Federal Fuel Taxes
$1,971.6
33.4%

Tolls and Concessions
$612.1
10.4%

Reimbursements
$386.7
6.5%

Documentary Stamps
$114.5
1.9%

Rental Car Surcharge
$109.0
1.8%

Motor Vehicle Fees
$677.7
11.5%

Interest
$8.3
0.1%

Miscellaneous Revenue
$104.8
1.8%

Bond Proceeds
$108.3
1.8%

*This chart does not include approximately $1 billion in Constitutional, County, Municipal, and Local Option fuel taxes which are distributed directly to local governments.
CALENDAR YEAR 2013 FUEL TAX RATES
(cents per gallon)

FEDERAL

STATE

LOCAL

Municipal Fuel /1¢ Gal
County Fuel Tax / 1¢ Gal
Ninth-Cent / 1¢ Gal
Constitutional Fuel / 2¢ Gal
Add'l Local Option / 5¢ Gal (Gasoline/Gasohol Only)
Local Option Fuel Tax / 6¢ Gal
State Comprehensive Enhanced Transportation Tax / 7.1¢ Gal
Fuel Sales Tax / 12.9¢ Gal
Add'l Diesel Fuel/6¢ Gal
Gas Tax / 18.4¢ Gal
Locally Imposed Motor Fuel Taxes
Tax Rates (¢/gal) as of January 1, 2013

Total Counties = 67
Federal Aid Transportation Apportionments: Actual and Forecasted (in Millions of $)
All-Electric Vehicles
Driving Efficiency:
Cutting Costs for Families at the Pump and Slashing Dependence on Oil

OBAMA ADMINISTRATION Fuel Economy Standards In the year 2025

The fleet-wide average will be 54.5 MPG

Consumers will have saved $1.7 TRILLION at the pump over the life of the program.

A family that purchases a new vehicle in 2025 will save $8,200 in fuel costs when compared with a similar vehicle in 2010.

Over the life of the program, the standards will:
- Save 12 billion barrels of oil.
- Eliminate 6 billion metric tons of carbon dioxide pollution.

This program, together with standards already put into place by this administration for Model Years 2011-2016, will result in significant cost savings for consumers at the pump, dramatically reduce oil consumption, cut pollution and create jobs.
Five common fiscal years = ($2.9 billion)
Impacts of Fuel Efficient Vehicles on State Fuel Tax Revenue
(in Billions of $)

Note: Graph only illustrates the impact to State Fuel Tax Revenue. Federal and Local revenue baseline data is not available.

<table>
<thead>
<tr>
<th></th>
<th>FY 11-12</th>
<th>FY 12-13</th>
<th>FY 13-14</th>
<th>FY 14-15</th>
<th>FY 15-16</th>
<th>FY 16-17</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
<th>FY 19-20</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact to State Fuel Tax Receipts</td>
<td>($8.57)</td>
<td>($33.39)</td>
<td>($72.28)</td>
<td>($128.62)</td>
<td>($196.86)</td>
<td>($274.71)</td>
<td>($353.47)</td>
<td>($441.02)</td>
<td>($523.53)</td>
<td>($2,032.45)</td>
</tr>
<tr>
<td>Impact to Federal Fuel Tax Receipts</td>
<td>($10.82)</td>
<td>($40.89)</td>
<td>($85.89)</td>
<td>($147.68)</td>
<td>($218.48)</td>
<td>($294.76)</td>
<td>($366.77)</td>
<td>($442.63)</td>
<td>($508.35)</td>
<td>($2,116.28)</td>
</tr>
<tr>
<td>Impact to Local Fuel Tax Receipts</td>
<td>($4.95)</td>
<td>($18.72)</td>
<td>($39.31)</td>
<td>($67.60)</td>
<td>($100.00)</td>
<td>($134.92)</td>
<td>($167.88)</td>
<td>($202.61)</td>
<td>($232.68)</td>
<td>($968.67)</td>
</tr>
<tr>
<td>Total</td>
<td>($24.35)</td>
<td>($93.00)</td>
<td>($197.48)</td>
<td>($343.89)</td>
<td>($515.34)</td>
<td>($704.38)</td>
<td>($888.13)</td>
<td>($1,086.26)</td>
<td>($1,264.56)</td>
<td>($5,117.40)</td>
</tr>
</tbody>
</table>

State Fuel Tax Forecast
Forecast with Increase in MPG

11
PURCHASING POWER LOSS OF GAS TAX DUE TO INFLATION

- Historical CPI-U
- Estimated CPI-U Based on 18-year Average from 1993-2011

51% Purchasing Power Loss by 2022
The average driver in Florida contributes just **$335.16 annually** towards the State’s transportation infrastructure (highways, public transportation, rail, seaports, airports) in tag fees and federal, state, and local fuel taxes.

Monthly contribution equals **$27.93**
The 2040 unfunded needs on just the Strategic Intermodal System (SIS) is estimated to be $131.2 billion in 2010 dollars.
This is what happens when the economy grows faster than the transportation system’s ability to accommodate it.
Thank You!
mark.reichert@dot.state.fl.us
850-414-4103