

# State Transportation Funding Increase Ideas

## Proposal

## Revenue Increase

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- **9-cent gas tax increase (three cents per year for three years)** \$450 million
    - Includes 7-10 year sunset
  - **Diesel tax parity** \$130 million
    - Raises diesel taxes up to the new gas tax amount, with a gradual phase-in
  - **50 percent increase in vehicle registration fees (currently costs \$95 for the average car)** \$500 million
    - Helps to mitigate effects of proliferation of hybrid vehicles and increased mpg
  - **Vehicle Registration fee reforms** \$30 million
    - Pro rata vehicle registration (collect the vehicle registration fee at time of purchase rather than birthday)
    - Regularly retire existing license plates to cut down on registration tab scams
  - **Inter Departmental Grant/TAC Fund reforms** \$10 million
    - Make TAC fees self-sustaining and reduce IDGs to SOS and Department of Treasury
  - **Fast Lanes (allows toll lanes to be built in the right of ways of existing congested roadways)** -----
    - Fast lanes pay for themselves but would not generate money for other roads
  - **Local options** Indeterminate
    - Allows counties or regions to collect a gas tax or vehicle registration fee (for transportation-related items only)
    - Up to 3 cents for a single county, up to 5 cents for two partnering counties and up to 7 cents for three or more counties working as a region

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\$1.12 billion + local

\* *These funding option ideas are proposed by MITA and have not been formally endorsed by members of the Michigan Transportation Team.*