4 Issues with the Gas Tax

▶ **1. FUEL EFFICIENCY GAINS**
Gas-powered vehicles are becoming more fuel efficient, so owners are buying less gas and government receives less fuel tax.

▶ **2. INCREASE IN ZERO EMISSION VEHICLES**
Vehicles that do not use gas, such as electric vehicles, do not pay any fuel taxes.

▶ **3. INFLATION AND LOSS OF PURCHASE POWER**
Ongoing inflation reduces how much a static gas tax can purchase. In addition, highway construction costs typically increase faster than overall inflation.

▶ **4. UNEVEN FUEL TAX BURDEN**
Newer and more expensive vehicles tend to be more fuel efficient. Owners of older, less fuel-efficient vehicles pay more to use the road. The fuel tax burden is uneven and inequitable.

What drivers pay under the Gas Tax

Ex: Monthly fuel-tax paid for 1,250 Miles Driven

Electric Car

$8.50*

Hybrid (45-55 MPG) **$14**

Average Efficiency (15-25 MPG) **$36**

Low Efficiency (5-15 MPG) **$90**

* $102 Road Improvement Fee is assessed on all model year 2020 and later zero emission vehicles

What is a Road Charge?

Road Charge is an innovative funding mechanism intended to replace the current gas tax, and more accurately ensures that all drivers are paying their fair share to use the road. Road Charge allows drivers to support local road and highway maintenance based on how many miles they drive, instead of how many gallons of gas they use.

California is studying Road Charge as:

- A <u>replacement</u> for the gas tax

- One per mile rate for all passenger vehicles

- Revenue neutral, not a tax increase

- Aims to stabilize funding, not change behavior

- No change in how funding is spent: existing formulas and programs remain

What drivers pay under Road Charge

Ex: Monthly fuel-tax paid for 1,250 Miles Driven

$32

$32

$32

$32

Electric Car

Hybrid
(45-55 MPG)

Average Efficiency
(15-25 MPG)

Low Efficiency
(5-15 MPG)

5

Calculated at 2.5 cents per mile, $31.25 round to $32

Public/Private Roads Project

This project will explore the ability of current GPS technology to differentiate between public and private roads in a road charge system.

Live in March 2023.

The project is the first in the nation specifically focused on engaging rural and tribal communities to understand their concerns and priorities for a road charge system.

Help us recruit!

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▶ **Spread the word about participating in our upcoming pilot and earning up to $250**

▶ **Community Group Meetings**

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Sign up to participate at www.caroadcharge/engage/contact-us/