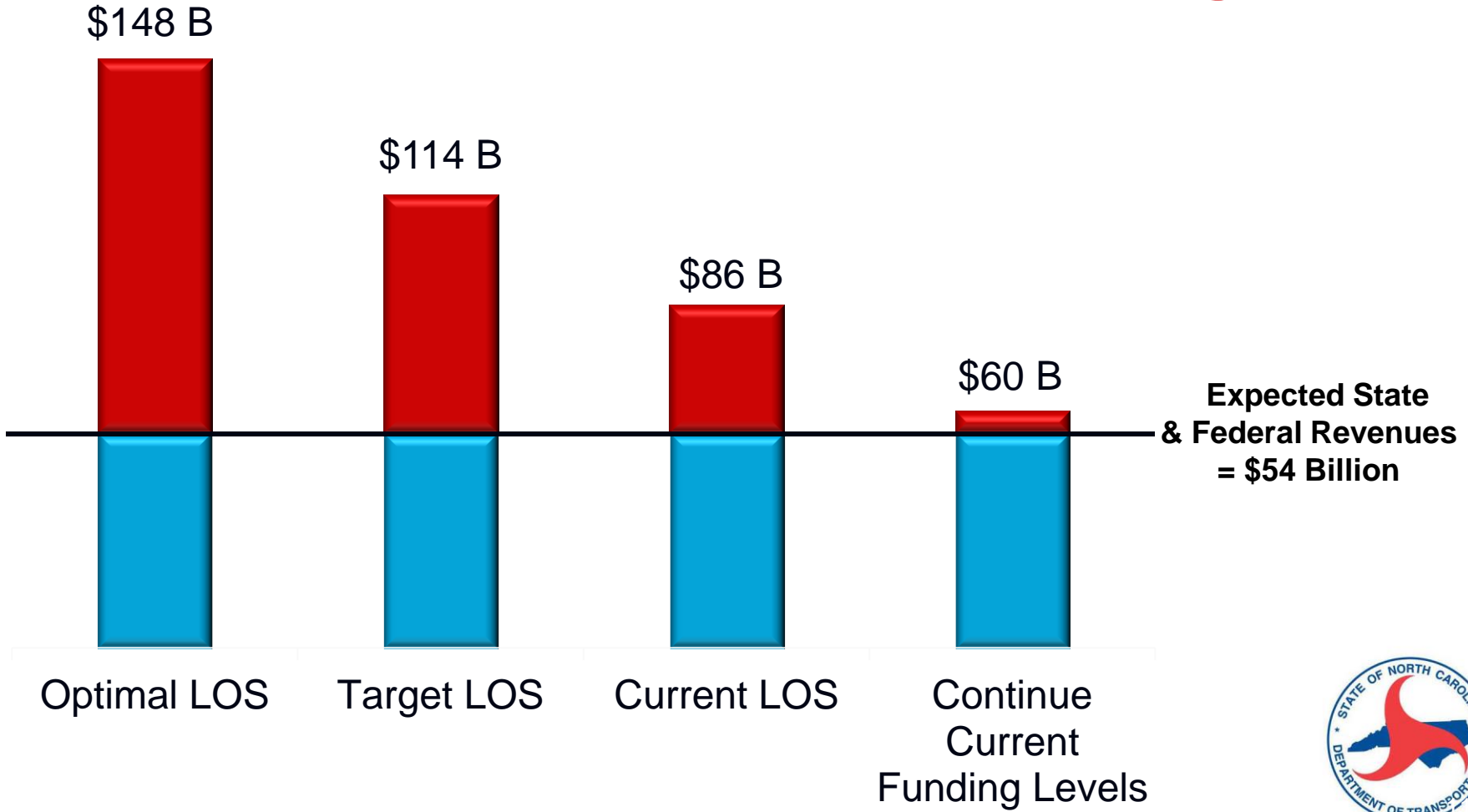




NCDOT's 30-Year Needs and Funding Gap





Revenue Enhancement Options:

- Continue motor fuel tax indexing - \$19 Billion
- Increase registration/license fees - \$6 Billion
- Eliminate Highway Fund transfers - \$4 Billion
- Redirect vehicle lease fee to NCDOT - \$1 Billion
- Increase Highway Use Tax - \$3 Billion
- Local vehicle property tax - \$1 Billion
- Auto insurance surcharge - \$12 Billion
- Wholesale motor fuels tax - \$12 Billion
- Interstate tolling - \$42 Billion
- Vehicle Miles Traveled Fee - \$27 Billion





Four revenue scenarios evaluated

(Objective not to choose, but to demonstrate power and limitations of different strategies)

- Interstate tolling to supplement existing taxes/fees
- VMT fee to replace motor fuel tax in 2020
- Existing revenue sources with indexing & increases gap
- New revenue sources





Interstate Tolling to supplement Existing Taxes and Fees (billions of 2011 Dollars)

	Target LOS	Optimal LOS	Current LOS	Keep Funding Levels
Baseline Funding Gap	(60)	(94)	(32)	(6)
Interstate Tolling (6 cents/mi Rural, 12 cents/mi Urban, adjusted for 3.5% inflation)	42			
Remaining Gap/Surplus	(18)	(52)	10	36





VMT Fee Replaces Motor Fuel Tax in 2020 (billions of 2011 Dollars)

	Target LOS	Optimal LOS	Current LOS	Keep Funding Levels
Baseline Funding Gap	(60)	(94)	(32)	(6)
Removal of Motor Fuel Tax (@ 35 cents/gallon)		(25)		
VMT Fee		27		
Remaining Gap/Surplus	(58)	(92)	(30)	(4)





Enhance Existing Revenue Sources (billions of 2011 Dollars)

	Target LOS	Optimal LOS	Current LOS	Keep Funding Levels
Baseline Funding Gap	(60)	(94)	(32)	(6)
Continue Motor Fuel Tax Indexing		19		
Increase Registration/License Fees with Inflation		6		
Eliminate Transfers from Highway Fund		4		
Redirect Short Term Vehicle Lease to NCDOT		1		
Additional 1% Highway Use Tax (sales tax on autos)		3		
Remaining Gap/Surplus	(27)	(61)	1	27





Enhance Existing Revenue Sources (billions of 2011 Dollars)

	Target LOS	Optimal LOS	Current LOS	Keep Funding Levels
Baseline Funding Gap	(60)	(94)	(32)	(6)
Dedicated Local Vehicle Property Tax		1		
Auto Insurance Surcharge (10% Tax Rate)		12		
Wholesale Motor Fuels Tax (8%)		12		
Removal of Motor Fuel Tax in 2020		(25)		
VMT Fee (2 cents/mi adjusted for inflation)		27		
Interstate Tolling (6 cents/mi Rural, 12 cents/mi Urban, adjust 3.5% inflation)		42		
Remaining Gap/Surplus	(27)	(61)	1	27

