TOYOTA

- States are **struggling to raise revenue** for maintenance and construction of roads and bridges. Although each state's circumstances are unique, many project multi-billion dollar deficits.
- Michigan estimates that a road funding plan of $1.05 billion would be a likely solution.
- States are currently highly **reliant upon fuel taxes for revenue**.
  - On average from 2007-2011, 24% of state funding for highways and transit came from the Federal government. **The majority (>65%) of funding for the Highway Trust Fund comes from Federal fuel taxes**, which have not been raised since 1993.
  - In 2012, **around 30% of state highway funding came from fuel taxes**. Some states have raised gas taxes or instituted other ways to increase revenue.
- **Challenge: How to provide reliable, long-term funding for highways and roads?**
  - CAFE and ZEV standards will continue to decrease gasoline consumption, and therefore fuel tax revenue.
  - Gasoline prices are currently low, but could change again in a few years.
- **Our approach for light duty vehicles is the "Access Fee."**
  - **A "user pays" approach** that replaces the state gas tax for light duty vehicles with a flat fee, determined by the state according to its needs. Currently, this would total around $140/vehicle annually, on average nationwide.
  - **A technology neutral solution.** All vehicles pay their fair share for road access, regardless of fuel type or vehicle efficiency.
  - Unlike a VMT tax, it **does not require additional administrative overhead or raise privacy or security concerns.**
  - Unlike the current gasoline tax, **changes in VMT, efficiency, and fuel type do not affect revenue.**
  - Unlike a fee on EVs, hybrids, etc., it **raises substantial revenue, aligns with automaker regulations, and is not anti-innovation**.
- The Access Fee could be collected as part of vehicle registration fees or as part of a payroll tax.