

# Funding Indiana's Infrastructure for the Next Generation

Comprehensive. Sustainable. Responsible.

## HOUSE BILL 1002

- Increase road funding revenue by \$617M in FY 2018 for INDOT and local governments. Of that amount, about \$357M would go to INDOT and \$260M would go to local governments.
    - By FY 2024, HB 1002 will generate over \$1.2B in new revenue annually for INDOT and local governments. Of that amount, about \$869M would go to INDOT and \$340M would go to local governments.
  - Increase user fees by 10 cents to restore lost buying power
    - Gasoline tax (Currently, 18 cents and last adjusted in 2003)
      - A 10 cent increase would mean about \$5 more per month for the average Hoosier motorist.
    - Special fuel tax (Currently, 16 cents and last adjusted in 1988)
    - Motor carrier surcharge tax (Currently, 11 cents and last adjusted in 1988)
    - To prevent underreporting and free riding, the motor carrier surcharge tax would be collected on diesel fuel at the pump.
  - Index all fuel tax rates annually using a formula that incorporates CPI-U (inflation) and Indiana personal income growth
    - Limits the index to one cent per year and stops the indexing after 7 years.
  - Transfer the remaining 4.5 pennies of the sales tax on gasoline (GUT) from the General Fund to the State Highway Fund by FY 2025
- Implement a \$15 annual statewide infrastructure improvement fee on all passenger vehicles registered in Indiana and increase registration fees by 25% for trucks over 26,000 lbs
  - Implement annual statewide infrastructure improvement fees of \$150 on all electric vehicles registered in Indiana and \$50 on all hybrid vehicles registered in Indiana  
(Fees will be directed to the Community Crossings Matching Grant Fund)
  - Require INDOT to further study tolling and submit a waiver to the federal government to allow tolling of existing interstates
    - If the governor decides to toll existing lanes, the first toll project may not be within 75 miles of an existing toll road or bridge.
  - Implement a new federal fund swap program that could save local governments up to 20% by no longer having to follow stringent and largely unnecessary federal requirements
  - Lower the minimum population threshold applicable to the municipal wheel tax/surtax from 10,000 to 5,000 and extend the deadline for adopting a county or municipal wheel tax/surtax from July 1 to Sept. 1



**HB 1002**

(In millions \$)

	State						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Gas Tax (+10 cents in FY18; index annually)	\$176	\$219	\$232	\$245	\$258	\$269	\$277
Special Fuel Tax (+10 cents in FY18; index annually)	\$70	\$89	\$97	\$105	\$113	\$121	\$129
Motor Carrier Surcharge Tax (+10 cents in FY18; index annually)	\$87	\$98	\$104	\$109	\$115	\$120	\$125
Gasoline Sales Tax (+.75¢ per year beginning in FY20)	\$0	\$0	\$55	\$120	\$180	\$237	\$292
IRP and BMV Fee Increase (25%)	\$21	\$26	\$26	\$27	\$27	\$27	\$27
Base MVH Shift to SHF from Local MVH	\$4	\$15	\$16	\$17	\$18	\$18	\$18
<b>TOTAL NEW STATE \$</b>	<b>\$357</b>	<b>\$448</b>	<b>\$529</b>	<b>\$623</b>	<b>\$710</b>	<b>\$793</b>	<b>\$869</b>
State MVH Share (Current = 53%)	54.50%	59.25%	59.25%	59.50%	59.75%	60.00%	60.00%
Eliminate sales tax on Special Fuel (GF IMPACT ONLY)	(\$25)	(\$28)	(\$30)	(\$32)	(\$33)	(\$33)	(\$32)
	Local						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Statewide Registration Fee (\$15/passenger vehicle)	\$43	\$85	\$85	\$85	\$85	\$85	\$85
Electric Vehicle Fee (\$150)/Hybrid Vehicle Fee (\$50)	\$4	\$8	\$9	\$11	\$16	\$18	\$20
IRP and BMV Fee Increase (25%)	\$15	\$9	\$9	\$8	\$8	\$8	\$8
Gas Tax (+10 cents in FY18; index annually)	\$126	\$108	\$118	\$126	\$133	\$139	\$146
Special Fuel Tax (+10 cents in FY18; index annually)	\$48	\$43	\$48	\$53	\$57	\$62	\$67
Motor Carrier Surcharge Tax (+10 cents in FY18; index annually)	\$25	\$21	\$23	\$24	\$25	\$26	\$28
Additional Municipal Wheel Tax authority	\$5	\$9	\$9	\$9	\$9	\$9	\$9
Base MVH Shift from Local MVH to SHF	(\$5)	(\$20)	(\$21)	(\$22)	(\$23)	(\$24)	(\$24)
<b>TOTAL NEW LOCAL \$</b>	<b>\$260</b>	<b>\$264</b>	<b>\$281</b>	<b>\$294</b>	<b>\$311</b>	<b>\$324</b>	<b>\$340</b>
Local MVH Share (Current = 47%)	45.50%	40.75%	40.75%	40.50%	40.25%	40.00%	40.00%
<b>TOTAL NEW STATE + LOCAL \$</b>	<b>\$617</b>	<b>\$711</b>	<b>\$810</b>	<b>\$917</b>	<b>\$1,021</b>	<b>\$1,117</b>	<b>\$1,209</b>