

Transportation Funding Act of 2015

Highlights:

- **Provides more than \$1 billion in new transportation funding with no state tax increase**
- **Preserves local control and the will of the voters through SPLOST measures**
- **Ensures a reliable transportation funding stream for both the state and local governments**
- **Promotes statewide investments in transportation infrastructure and transit systems**

The package includes the following provisions:

- The act will convert the sales tax on motor fuel to an excise tax. This excise tax will be set at 29.2 cents per gallon which approximates the sales tax rate which has been imposed on gasoline using a weighted average of the price of gasoline over the previous four years (\$3.39 per gallon total price at pump). This excise tax will be indexed to Corporate Average Fuel Economy (CAFÉ) standards as well as CPI and adjusted annually to ensure that it keeps pace with the ever-increasing fuel efficiency of vehicles. This provides a reliable, predictable funding source dedicated to transportation.
- Converting the sales tax on motor fuel to an excise tax adjusts Georgia's participation in, and advantage of, the International Fuel Tax Agreement (IFTA). Doing so will result in an additional \$60 million to the state.
- Converting to an excise tax dedicated to transportation will have the effect of moving the "fourth penny" revenue previously collected on motor fuel from the state's general fund to funding for transportation needs. This will result in an additional \$175 million in transportation funding per year.
- Any special purpose local option sales taxes on motor fuel currently authorized by the voters will be honored. Those SPLOST collections, which would be over and above the state's excise tax, would cease after their expiration dates as originally approved by local voters.
- Local governments will be able to charge an additional excise tax of up to 6 cents per gallon (up to 3 cents for counties and up to 3 cents for cities) for local transportation projects by a vote of their county commission and/or city council. Any additional excise taxes local governments wish to levy on motor fuel beyond the limit would require a referendum offered to the residents of that jurisdiction.
- Alternative fueled vehicles will pay a user fee of \$200 for non-commercial and \$300 for commercial vehicles each year. As these vehicles do not use gasoline, their owners do not currently pay their share of taxes devoted to the maintenance of the roads they use. This will provide equity among those who drive on our roads and ensure everyone pays their fair share. This fee will not be imposed on hybrid vehicles which require purchase of gasoline. This revenue is intended to be used for transit systems.
- Recapitalize the Georgia Transportation Infrastructure Bank so that a revolving, self-sustaining, loan/grant fund is created to incentivize governments, authorities, CIDs and other entities to provide matching funds for local construction of projects. The Transportation Infrastructure Bank will be directed to assist tier 1 and tier 2 counties and encourage investment in every region of our state.
- A significant bond package will provide for critical bridge maintenance, transit system funding and other transportation projects across the state. This is a prudent way to provide more immediate funding for our transportation needs while leveraging the state's high credit-rating to borrow at little cost to the state.
- Increase funding for Local Maintenance and Improvement Grants (LMIG).