

# Gas Taxes and Mileage Fees: What Does the Public Think?

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Presentation to the  
Committee for a Study of the Future Interstate Highway System

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MTI's National Transportation Finance Center



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# Presentation outline

1. Gas taxes and mileage fees – what are they?
2. Public opinion about raising the gas tax
3. Public opinion about mileage fees
4. Summary of findings

# What is the “gax tax”?

- An excise tax on gas/diesel fuel purchases
- Long history: Oregon, in 1919; feds and all states by 1932
- Usually a flat-tax rate, as cents-per-gallon
- Legislative reluctance  $\Rightarrow$  stagnant gas tax rates
  - 21 states have not raised rate in 10+ years (ITEP data)
  - Feds have not raised rate in 23 years



# What is a “mileage fee”?

- A fee charged for every mile driven
- Rate can be flat or variable by time of day, location of travel, or vehicle characteristics
- Many options for collecting travel data, from a simple odometer reading to something much more complex



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# Findings from a gas tax survey review

1. Quick review of 130 surveys with gas tax questions
2. 24% of polls found at least majority support, and 42% found support at 40% or higher



# Findings from MTI national surveys

1. 7 annual surveys, 2010 - 2016
2. Random phone survey of US residents
3. 1,500+ respondents for each
4. Asked about support for 7 variants on a 10-cent per gallon federal gas tax increase

# People support SOME gas tax hikes (2016 survey data)

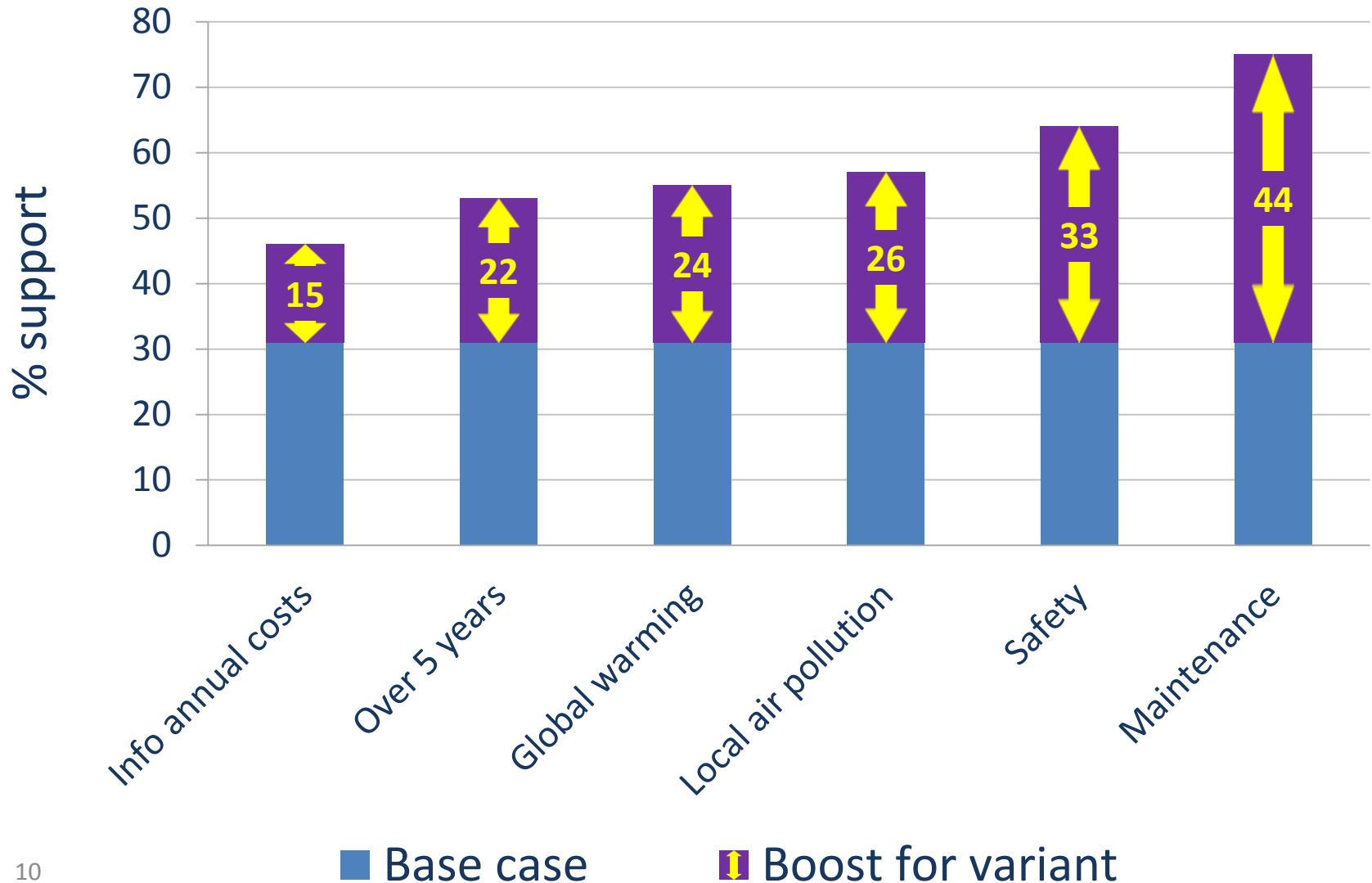


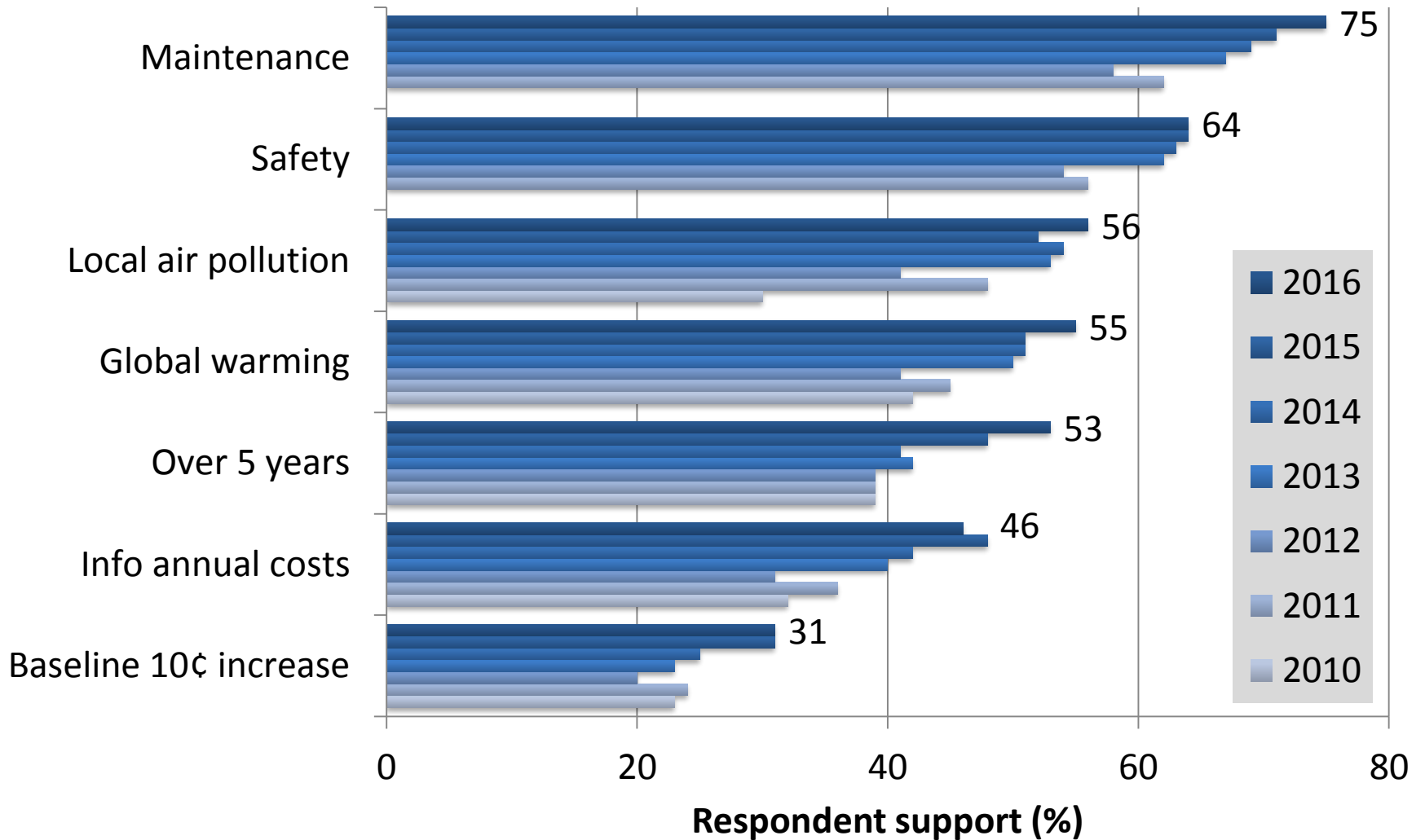
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Y'KNOW,  
I'M BEGINNING  
TO WARM UP TO  
A SMALL GAS  
TAX INCREASE.



# Support over time has increased



# Support varies by only a few population characteristics

- Asians/Asian-Americans and blacks/African-Americans (compared with whites)
- Younger people (compared with older age groups)
- Democrats (compared with Republicans)
- People who had used transit in the previous 30 days (compared with people who had not)
- People who think government should place a high priority on improving local public transit service OR on improving safety (compared with people who think government should place a low priority on these goals)

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# Mileage fee evidence

- The 7 annual MTI surveys
- An NCHRP study reviewing 38 surveys, 12 qualitative studies, and 359 media stories



# Do most people support MFs?

Most basic ways this is asked:

1. Do you support a mileage fee?
2. Do you support replacing the gas tax with a mileage fee?

And the answer to both is .... usually



# Support for MFs in general

- Reviewed 33 survey questions
- Mean support: 24%
- Support ranged from 8% to 50%

(Very similar findings for questions asking about replacing the gas tax with a mileage fee)



# “Low support” isn’t the whole story

1. Support in surveys has increased over time
2. Participants in 2 pilot programs were more supportive
3. Media stories are becoming a little more positive over time
4. MTI surveys found much higher support for a “green” mileage tax option

23% support for a flat-rate mileage fee

vs.

48% support for a “green rate” version

# Few variations in support by personal characteristics

Based on our relatively small sample of surveys:

- Didn't matter: Gender, age, income, education, race/ethnicity
- Did matter somewhat: Political affiliation, with Democrats/liberals more supportive

# Reasons for concern

1. MFs invade privacy
2. MFs are unfair
3. Administration won't be fair/accurate
4. We lose the incentive the gas tax gives to purchase efficient vehicles
5. Lump-sum payments are hard on households
6. Too complex
7. Just raise the gas tax, instead!

# Positive opinions

1. Fairly charges drivers of alternative-fuel and efficient vehicles for their road use
2. Could be a “solution” to the problem of raising transportation funds
3. A “sustainable” or “innovative” revenue source



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# Summary of key findings

1. Majorities support SOME gas tax options
  - Depends on how the tax is structured, explained
  - Maintenance and safety are especially popular
2. Support is low for mileage fees
  - Key concerns: privacy, equity, administrative problems, lump-sum payments, and complexity
  - BUT, seen as fair for all vehicles to help pay for roads
3. In recent past, support for gas tax and mileage fees has been going up slightly
4. Right now, people prefer raising the gas tax rate to a new mileage fee

# Want to learn more?

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Agrawal, Asha Weinstein, and Hilary Nixon. *What Do Americans Think About Federal Tax Options to Support Public Transit, Highways, and Local Streets and Roads? Results from Year Seven of a National Survey*. San Jose: Mineta Transportation Institute, 2016.

Agrawal, Asha Weinstein, Hilary Nixon, and Ashley M. Hooper. *Public Perception of Mileage-Based User Fees* (NCHRP Synthesis 487). Washington, D.C.: Transportation Research Board, 2016.

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