



# PAYING FOR VIBRANT TRANSPORTATION SYSTEMS

An International  
Perspective

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**A mixed blessing:**



**States are innovators!**

# Two Broad Categories of Revenues Used for Transportation

## User Pays

### **Dedicated user-pay revenues**

- Fuel taxes
- Vehicle-related taxes and fees
- Tolls
- Mileage-based user fees

## General Revenues

### **Dedicated general revenues**

- Dedicated general sales taxes
- Other dedicated general taxes

### **Non-dedicated general revenues**

- General fund appropriations

# User Pays: Dedicated Fuel Taxes

Fuel taxes dedicated, at least in part, to road construction and maintenance:

- Brazil, China, Israel, New Zealand
- (Formerly: Australia, Japan, South Africa)



# User Pays: Dedicated Vehicle-Related Taxes and Fees

## Passenger vehicle taxes and fees:

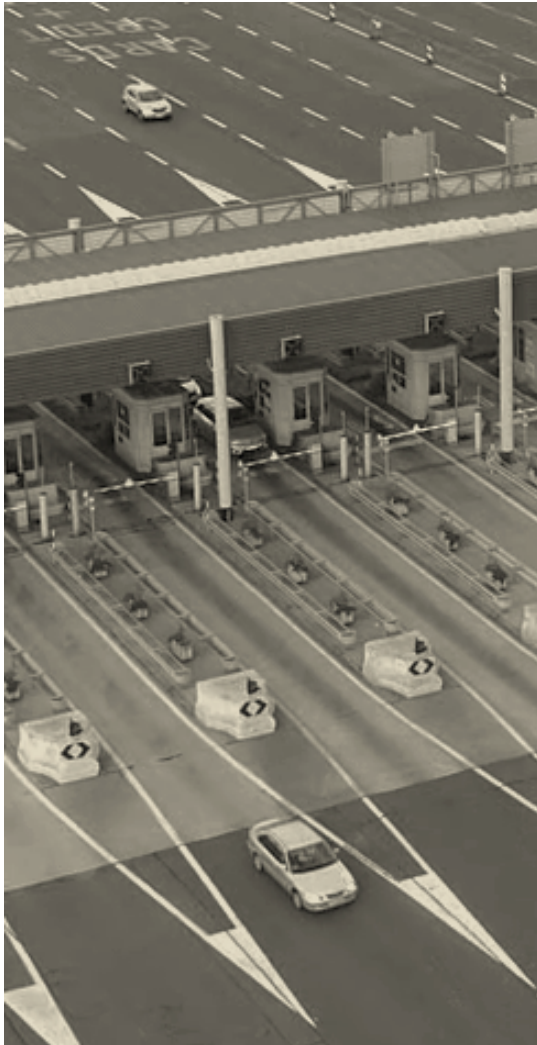
- China, New Zealand
- (Formerly: Australian states, England, Japan)

## Freight vehicle (heavy truck) taxes and fees:

- (\*See mileage-based user fees)



# User Pays: Tolls and Other Facility Charges



## Tolls:

- Argentina, Australia (state-level), Brazil, Canada, China, Chile, Colombia, Croatia, England, France, Greece, Hungary, Indonesia, Israel, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, South Africa, South Korea, Spain, Sweden, Thailand (\*See also PPPs)

## Cordon charges:

- Singapore, Sweden (England, Italy: local)

# User Pays: Mileage-Based User Fees

## Distance-based fees for freight vehicles:

- Austria, Czech Republic, Germany, New Zealand, Slovak Republic, Switzerland (Australia: pilot project through 2020)

## Distance-based fees for passenger vehicles:

- New Zealand (only for certain non-gasoline-powered cars)

“The U.S.A. is actively exploring this option...”



# General Revenues



## Dedicated general revenues:

- None found outside of the U.S.

## Non-dedicated general revenues:

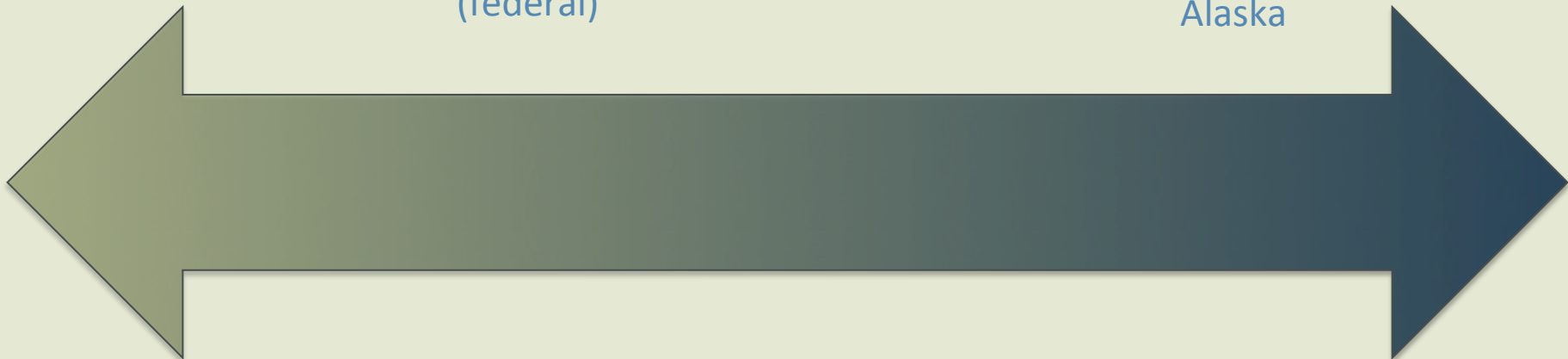
- Australia, Canada, China, England, France, Germany, Israel, Italy, Japan, Mexico, South Africa, Sweden





**It's not  
either/or...**





**User Pays**

**General Revenues**

- North Carolina
- Brazil
- New Zealand
- China
- United States (federal)
- Many U.S. States
- Canada
- South Africa
- Italy
- Australia
- Germany
- France
- England
- Alaska

# Finance:

## Public-Private Partnerships

### Public-private partnerships (PPPs):

- Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Croatia, England, France, Greece, Hungary, India, Indonesia, Israel, Italy, Mexico, Netherlands, Nigeria, Norway, Philippines, Poland, Portugal, Senegal, South Africa, Spain, Russia



**Ultimately, all of the options**



**are paid for by citizens.**

# Other Ideas to Consider

Efforts to use transportation revenues more efficiently and effectively:

- Project prioritization and planning
- Performance management
- Cost-saving measures
- Strategic use of federal support
- Local flexibility

And more!

# Key Takeaways

- States are innovators!
- There are two broad categories of revenue that are used for transportation worldwide, and they're often mix and matched.
- Whatever you use, it's ultimately paid for by citizens.

BONUS: Finance tools can't solve funding problems!

# Further Resources

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