



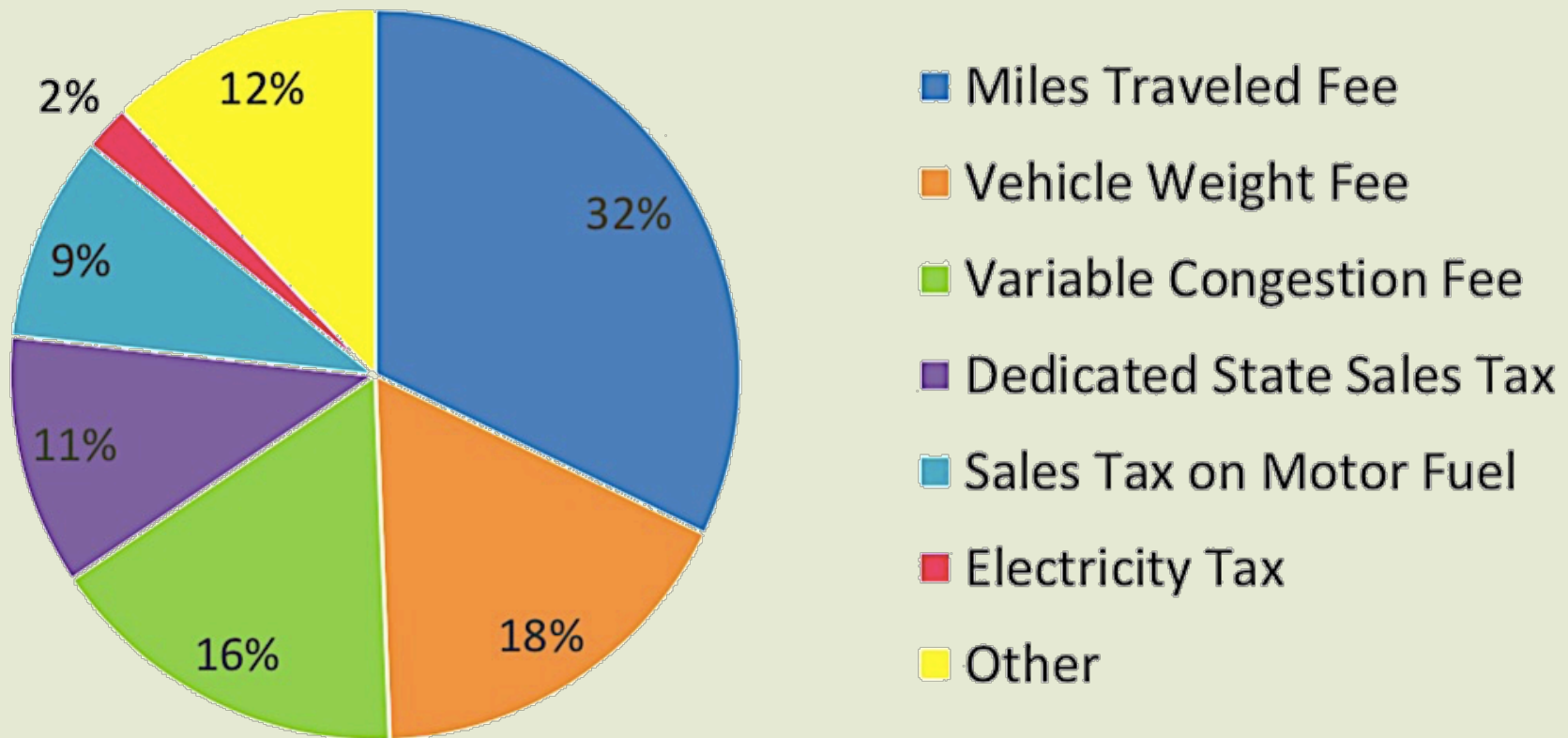
PAYING FOR VIBRANT TRANSPORTATION SYSTEMS

Considering
Weight-Based
Taxes and Fees

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NC FIRST Commission Survey: 18 Percent Favor Weight-Based Fees

Which new funding stream would you like to be considered by the NC FIRST Commission?



NC FIRST Commission Survey: Combine Weight and Miles Traveled?

“The fairest fee will be a combination of miles traveled and weight, as it will best represent the total damage to the road each user creates.”

“I’d suggest a combination of a weight based fee and the annual miles traveled. ... This is a more objective and fair method of funding infrastructure.”

**“VEHICLE WEIGHT AND MILES TRAVELED,
SHOULD BE CHARGED LIKE ELECTRICITY--PER USAGE.”**

“An annual ton-mile tax would tax users in proportion to their costs imposed on the system. It is a fair user fee which applies to all transportation energy sources.”

What Existing Revenues in the States Take Vehicle Weight into Account?

Heavy Trucks

- Registration fees based on weight
- Oversize/overweight permit fees
- Overweight truck taxes
- Fines for size and weight violations
- Annual heavy vehicle impact fees
- Weight-distance taxes

Passenger Vehicles

- Registration fees or surcharges

- State vehicle weight taxes

Weight-Based State Revenue Sources: Heavy Trucks

Registration fees based on weight

- Nearly all states

Oversize/overweight permit fees

- At least 35 states

Overweight truck taxes

- Mississippi

Fines for size and weight violations

- Maine, Wisconsin

Annual heavy vehicle impact fees

- Georgia



* Also: weight-distance taxes (based on both weight and miles traveled)

Federal Revenues Also Include a Weight-Based Tax on Heavy Trucks

Heavy Vehicle Use Tax (HVUT)

- Annual \$100 to \$550 tax on trucks registered as operating at 55,000 lbs.+
- Generated more than \$1.2 billion for the Highway Trust Fund in FY 2018



Why the Focus on Heavy Trucks?



Weight-Based State Revenue Sources: Passenger Vehicles

Registration fees or surcharges

- At least 16 states



Weight-Based State Revenue Sources: Heavy Trucks and Passenger Vehicles

State vehicle weight taxes

- Hawaii (applies to all vehicles, but rate flattens over 10,000 lbs.)



State Revenue Sources Based on Both Weight and Miles Traveled

Weight-distance taxes for heavy trucks

- Kentucky, New Mexico, New York, Oregon (and international models)

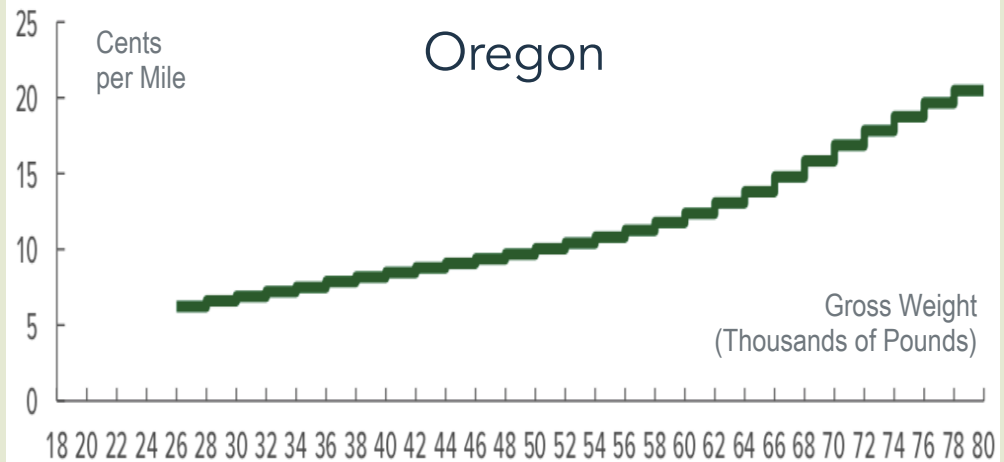
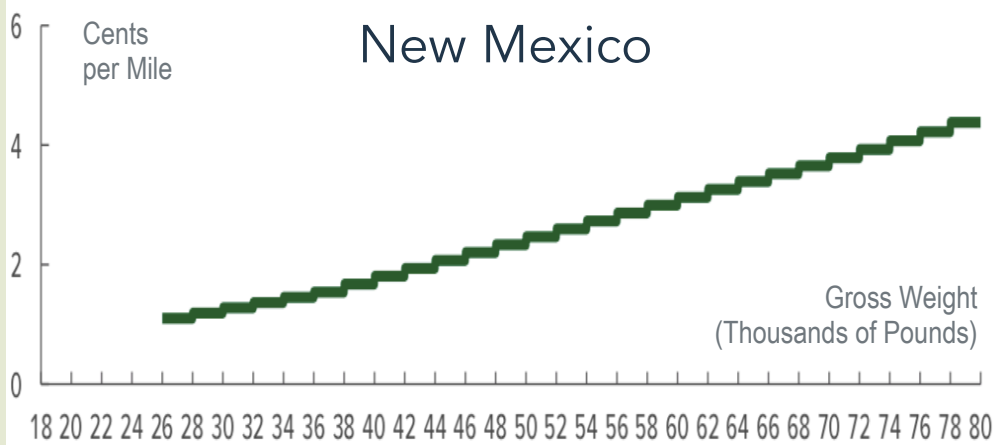
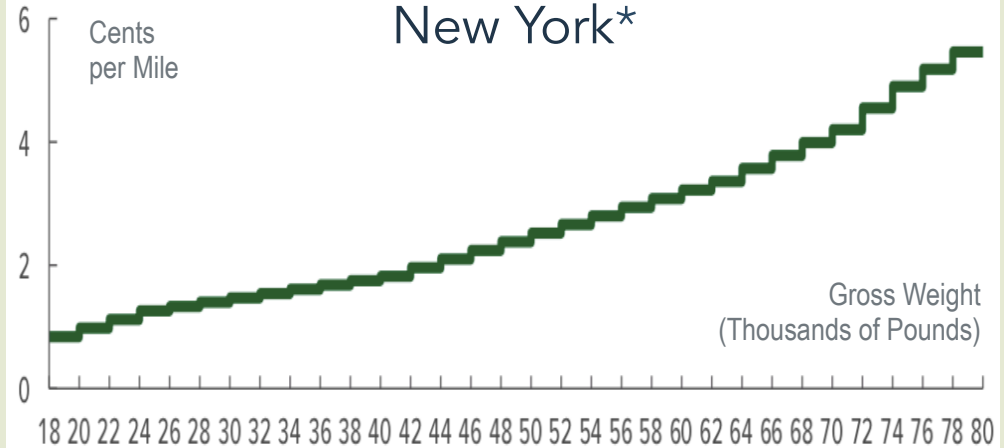
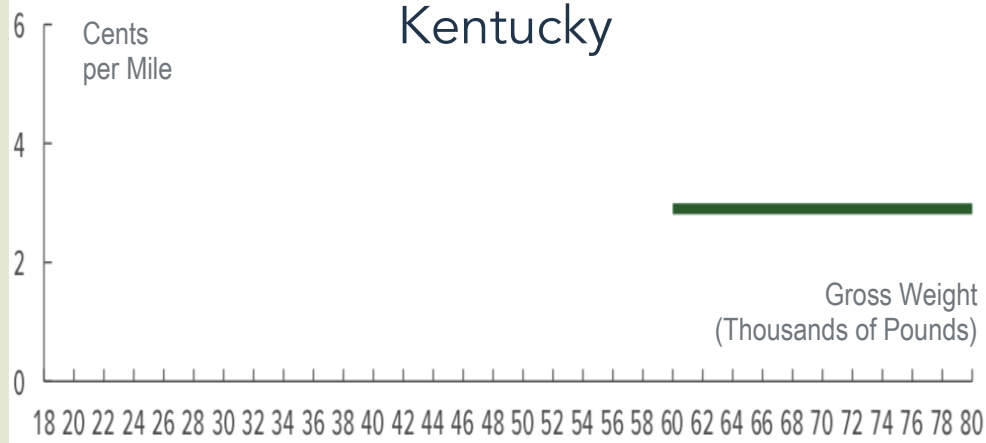
But not current mileage-based fees for other vehicles

- Oregon and Utah's voluntary programs charge by distance only
- (Note: New Zealand uses many factors, but rate flattens under 3.5 tonnes)



State Revenue Sources Based on Both Weight and Miles Traveled

State Weight-Distance Tax Rates for Commercial Trucks



Which of These Approaches Does North Carolina Use Now?

Heavy trucks

- Registration fees based on weight and indexed to inflation
- Oversize/overweight permit fees (in some circumstances)

Passenger vehicles

- None identified



Do Gas Taxes Work as a Proxy for Vehicle Weight and Miles Traveled?



VS.



VS.



What Details Would Need to Be Considered?

Tax base

- Which vehicles would be subject to a weight-based tax or fee?

Design and rate structure

- What kind of tax or fee would it be?
- What would the rates be for different vehicle weights or axle weights?
- Would other factors be included, such as vehicle type or miles traveled?
- What other impacts might these details have (e.g., on equity, relationship to road usage or wear-and-tear, user behavior, revenues generated)?

Assessment and payment methods

- How and when would the tax or fee be assessed? Paid? Enforced?
- How might these details affect administrative costs and net revenues?

Further Resources

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