



Transportation Revenue and Sales Tax Ballot Proposal



Director Kirk Steudle



What would the proposed changes do?

All taxes paid at the pump would go to transportation and sales tax goes to schools & cities.



Enacted 2015 Transportation Package



- Fuel tax increase
 - Tax Rate for Gasoline & Diesel the same at 14.9%, although prices vary
 - Gasoline : 19 to 41 cents
 - Diesel fuel: 15 to 46 cents
 - New Diesel-equivalent tax on CNG
 - Remove 6% sales tax from fuel
- Registration fee increase of about 30% for:
 - New cars starting in 2016
 - Trucks over 26,000 lbs.
 - Takes effect over 3 to 14 years

Impact for Transportation Agencies

✓ May 5th Ballot



- \$1.2 billion/year more for MTF
 - 39% to county roads; 22% to city streets
- Grows with consumer prices; not more than 5¢/year
- Road-agency distributions rise by 60% in 2018
- \$112 million/year for CTF by 2018
- No change to formula

Impact for Other Public Agencies



- \$300 million/year more for School Aid Fund
- \$100 million/year more for revenue sharing
- \$20 million/year more for DNR marinas and ORV trails
- Additional funding for community colleges

Impact for Individual Taxpayers



- Sales tax rises from 6 to 7%
- Fuel tax increases; sales tax removed from fuel
 - Tax at pump rises up to 12¢/gallon in Oct. 2015
- Earned-income tax credit increased from 6 to 20% of federal credit; eligibility is broadened
- Registration fee increase of about 30% on new cars starting in 2016
- Registration fee on hybrid-drive cars increased by \$25/year
- Registration fee on electric cars & plug-in hybrids increased by \$75/year

Impact for Businesses

 May 5th Ballot



- Diesel fuel tax is increased; sales tax is removed from Diesel fuel
 - Total tax on Diesel fuel rises 12¢/gallon in October, 2015
- No registration fee increase on medium trucks
- Registration fee rises by \$600/year on typical heavy truck
- Sales tax rises on retail purchases
- Enlarged assistance to small-business development

Taxpayer Protection & Transparency



- Increase use of pavement warranties by local agencies, where possible
- County road agencies required to use competitive bidding for projects of a certain size
- Townships contributing more than 50% to cost of county road project may require competitive bid
- Performance-driven maintenance contracting by 7 largest road agencies

All proposed changes are tied to the outcome of the sales tax ballot referendum.



MDOT Communication Tools

- www.michigan.gov/roadfunding
- www.michigan.gov/realitycheck



MDOT Home Contact MDOT FAQ Sitemap MI.gov

MDOT Michigan Department of Transportation

January 1983 - D. B. Swinman Selected as Engineer for the "Miracle Bridge at Mackinac"

Transportation Funding: No Easy Fix

Time for Action on Infrastructure

The deteriorating condition of Michigan's roads and bridges is an issue in every part of the state. Years of under-investment, coupled with increased fuel efficiency, has eroded the funding available for transportation and accelerated the decline in pavement and bridge condition. Both state and local road agencies have taken steps to improve asset management, increase the efficiency of asset investment, reform rules, and employ innovative approaches that make the most of their limited funding. Despite these efforts, it's clear that without significant additional investment, our roads and bridges will only continue to get worse. Improving the condition of Michigan's transportation infrastructure is a critical step needed to continue Michigan's recession. It's time to take action on the need for additional transportation funding.

[Let's Fix the Roads Video](#)

Infrastructure in Decline

- Metro Region
- University Region
- Central Region
- Day Region
- Southeast Region
- North Region
- Superior Region

Transportation Roundtable Discussions

Lawrence Technological University

Quick Links

- Title VI
- Non-competition
- Tribal Governments
- Twitter Facebook
- YouTube
- MI Drive
- State Map

MDOT Home Contact MDOT FAQ Sitemap MI.gov

MDOT Michigan Department of Transportation

January 1983 - D. B. Swinman Selected as Engineer for the "Miracle Bridge at Mackinac"

Reality Check

There are many common myths and misconceptions about transportation in Michigan, from why MDOT replaces "perfectly good" signs to why current funding levels aren't enough to keep roads and bridges in good condition. **Transportation Reality Check** takes on some of these myths, and explains why MDOT does things the way they do.

Myth #1: Michigan has one of the highest gas taxes in the country. Our roads are awful, so road agencies must be wasting our money.

Reality: Michigan's taxes that fund transportation are among the lowest in the country, and our road conditions reflect that level of investment. [See the Reality Check Sheet](#)

Myth #2: Michigan needs to learn how to build roads that last. Or at least, MDOT needs to hold contractors responsible when regions don't hold up.

Reality: Michigan has high standards and tough warranties. Other factors are to blame for our crumbling roads. [See the Reality Check Sheet](#)

Myth #3: Other's roads are so much better than Michigan's. MDOT needs to learn how Ohio does it so they can build better roads.

Reality: There's no secret to why Ohio's roads are better than Michigan's. They spend \$7 billion more each year on them. [See the Reality Check Sheet](#)

Myth #4: Road crews just throw some asphalt in the potholes to fix them. They need to fix them right the first time so it lasts.

Reality: Pothole patches are just a patch. A true fix will require much more. [See the Reality Check Sheet](#)

Myth #5: MDOT has gotten dangerously stingy with salt, and they need to use more.

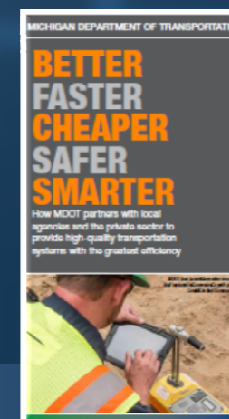
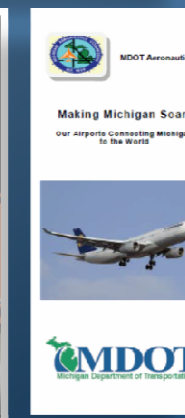
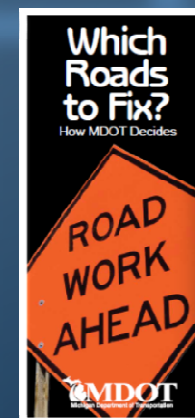
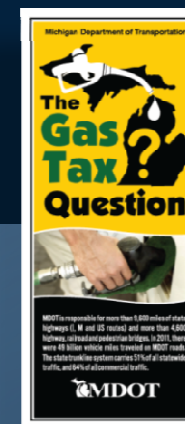
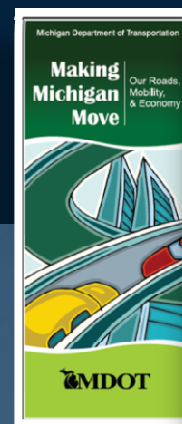
Reality: MDOT has made changes to be more efficient with salt, but not at the expense of safety for motorists. [See the Reality Check Sheet](#)

Myth #6: Michigan's roads and bridges aren't that bad, and there are plenty of other priorities.

Reality: Michigan's transportation system is hurting, and waiting just makes things worse. [See the Reality Check Sheet](#)

Brochures

- Making Michigan Move: Our Roads, Mobility & Economy
- How Michigan Funds Transportation
- Michigan Gas Tax Revenue
- Pavement – Designing, Building, and Maintaining Michigan State Highways
- Which Roads to Fix?
- Making Michigan Soar, Our Airports Connecting Michigan to the World
- Truck Weights in Michigan
- MDOT Efficiencies



White Papers

- Plain Facts about MDOT's Revenue, Cost-Cutting & Investment
- Special Message on Revitalization of Michigan's Deteriorating Infrastructure
- Fast Facts
- Michigan's Truck-Weight Law & Truck-User Fees

MICHIGAN DEPARTMENT OF TRANSPORTATION
Fast Facts 2014

OVERVIEW

The Michigan Department of Transportation (MDOT) has jurisdiction over:

9,656 miles of (M, US or I routes) 21,992 lane miles	4,703 miles of highway, railroad and pedestrian bridges	665 miles of state-owned railroad	4 state-owned airports (Flint, Linden, Plymouth-Canton, Plymouth-Lake)
--	---	---	---

MDOT also provides financial and technical assistance for projects of the transportation system owned and operated by others, including local transit systems, airports, leasing bus, rail, etc.

Highways and Roads

- Although the state operates system (M, US or I routes) accounts for only 12 percent of roadway miles, it carries 52 percent of all loads and approximately 60 percent of commercial truck traffic.
- There were \$4.3 billion annual vehicle miles of travel (AVMT) for all roads (2012).
- \$4.8 billion AVMT on tollable roads.
- \$4.8 billion AVMT on non-tollable roads.
- As noted in the 2014-2016 Five-Year Program, MDOT will invest \$2.2 billion in its highway program, supporting 14,284 jobs during 2014.
- Michigan's system of more than 122,000 miles of public roads is:
 - 90 percent in the nation.
 - 2nd largest state highway system.
 - Michigan's local roads are the nation's:
 - 10th largest city street system.
 - 1st largest county road system.
 - 4th largest county road system.

Local Transit Systems

MDOT provides a system of the funding for the local bus transit system, which consists of 79 agencies serving three city and county level bus systems to multi-county authorities and one rural public transit system.

• Overall, local public transit provided more than 92 million passenger trips in 2013.

Passenger Rail

- A total of 61,007 passengers boarded a train Amtrak routes in Michigan in 2013, setting a statewide record. Ridership has increased more than 47 percent in the last 10 years.
- Revenue from the three routes also set a record of \$28.8 million in 2013.
- There are 22 active passenger stations in Michigan, 14 of which are multi-modal, serving passenger rail as well as intercity bus and transit.
- Amtrak operates three bi-weekly passenger rail routes in Michigan:
 - The Silver Service operates three daily round-trip between Portland, Me., and Chicago, Ill.
 - The Blue Water operates a single daily round-trip between Port Huron, and Chicago, Ill.
 - The Pere Marquette operates a single daily round-trip between Grand Rapids, and Chicago, Ill.
- Amtrak's Thruway Bus services provide bus connections between Michigan routes and communities around the state. There also is a Thruway Bus line between the Blue Water and Wolverine services which connects to Toxas, Ohio, with express long-distance routes to the east coast.

STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RIK BYRER
GOVERNOR

BRIAN CALLEY
DEPUTY GOVERNOR

OCTOBER 20, 2011

A Special Message from Governor Rick Snyder:
Reinvesting Michigan's Infrastructure: Better Roads Drive Better Jobs

To Michiganians and the Michigan Legislature:

I. Introduction

Over the past few months, we have taken important steps to turn Michigan's economy around. But as so many in Michigan know we still have a long way to go. Today we take yet another bold step toward to help ensure our economic prosperity, now and in the future.

Reinvesting Michigan's Infrastructure: Better Roads Drive Better Jobs

A sound and modern infrastructure is vital to attracting and retaining jobs. The state that put the world on wheels needs to continue to be a transportation leader in order to stay competitive in today's global economy. We need a modern transportation system that moves people and goods safely, reliably, and efficiently in order to increase productivity and our quality of life. We need a multi-modal system that will serve the movements of a new, more urban, more technologically, and more active generation. We need water and power systems that support and protect Michigan's rich environment and water resources. We need to integrate our broadband telecommunications network and connect every business and every household to the internet.

The challenge is simple. Michigan's infrastructure is deteriorating from a lack of investment. If we are going to reinvent Michigan's economy, we have to reinvest in Michigan's infrastructure.

For the first time ever transportation revenues are declining. Simply put, better fuel economy and higher gas prices lead to lower road revenues from the fuel tax. All the while, the cost of materials and labor continue to rise, seriously undermining our ability to keep up.

In 2008, a Transportation Funding Task Force recommended doubling Michigan's transportation investment, and several things that doing nothing was unacceptable. At the time, members of the State Legislature made proposals for increased funding for transportation, and found support on all sides of the political spectrum, but nothing happened. And this year, a bipartisan House Transportation Committee workshop underscored these findings, concluding once again that while doing nothing is a decision, it is the wrong one. The following graph illustrates the deterioration of our system at today's level of investment.



Questions?

