



State Legislative Update

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Current Breakdown of Gas Tax

- State Gas Tax = 57.9 cents (\$7.4B annually)
 - SB 1 of 2017 includes annual CPI adjustment
 - Before SB 1, 1994 was the last increase
- Federal Gas Tax = 18.4 cents
- Local Taxes = 3.8% (average)
- Cap and Trade = 27 cents

History of Gas Tax

- 1923: 2 cent excise tax for local & highway maintenance
- 1927: Excise tax increased to 3 cents for new highways and roads
- 1947: Excise tax increased to 4.5 cents
- 1953: Excise tax increased to 6 cents to develop state highways
- 1963: excise tax increased to 7 cents
- 1971: TDA- 1/4 cent sales tax for transit imposed on gasoline
- 1983: Excise tax increased to 9 cents
- 1990-1994: Excise Tax increased from 9 to 18 cents
- 2010: Gas Tax Swap – added 17.3 cent excise tax (sales tax conversion)
- 2017 SB 1 enacted- added 12 cents (worth 14.7 now)

Problems w/ Gas Tax

- Regressive collection method
- Cars are more fuel-efficient
- Teleworking
- Rapid Increase in ZEV purchases
- Decrease of revenue for LSR, SHOPP, STIP
- TAMC STIP impacted for 2026-possible 25% reduction

Possible Solutions - VRF

- Vehicle Registration Fee
 - Included in SB 1 (\$1.7B annually)
 - Progressive revenue collection
 - No privacy concerns
 - Equitable
 - Tax deductible
 - Pay less as cars depreciate
 - 87% of all drivers/ vehicle owners pay less

Current VRF- SB 1

Vehicle Value Range	Annual Rate	Percentage of Registered Vehicles (2018)
\$0-\$4,999	\$25	46.34%
\$5,000 - \$24,999	\$50	40.96%
\$25,000 - \$34,999	\$100	7.04%
\$35,000 - \$59,999	\$150	4.64%
\$60,000 & Up	\$175	1.02%
Overall		100%

VRF + State Gas Tax Per Vehicle

Vehicle Value Range	Annual Rate	Factoring in Annual Average Gas Tax of \$224 (State-\$.579)	Percentage of Registered Vehicles (2018)
\$0-\$4,999	\$25	\$249	46.34%
\$5,000 - \$24,999	\$50	\$274	40.96%
\$25,000 - \$34,999	\$100	\$324	7.04%
\$35,000 - \$59,999	\$150	\$374	4.64%
\$60,000 & Up	\$175	\$399	1.02%
Overall			100%

Full VRF Conversion Per Vehicle

Vehicle Value Range	Annual Rate (SB 1 base x 4.35)	Change when factoring \$224 savings	Percentage of Registered Vehicles (2018)
\$0-\$4,999	\$108.75	\$140.25 (\$249 - \$108.75)	46.34%
\$5,000 - \$24,999	\$217.50	\$56.50 (\$274 - \$217.5)	40.96%
\$25,000 - \$34,999	\$435	\$111 (\$435 - \$324)	7.04%
\$35,000 - \$59,999	\$652.50	\$278.5 (\$652.5 - \$374)	4.64%
\$60,000 & Up	\$761.25	\$362.5 (\$761.25 - \$399)	1.02%
Overall			100%

VRF + State Gas Tax Per Driver

Vehicle Value Range	Annual Rate	Factoring in Annual Average Gas Tax of \$297.43	Percentage of Registered Vehicles (2018)
\$0-\$4,999	\$25	\$322.43	46.34%
\$5,000 - \$24,999	\$50	\$347.43	40.96%
\$25,000 - \$34,999	\$100	\$397.43	7.04%
\$35,000 - \$59,999	\$150	\$447.43	4.64%
\$60,000 & Up	\$175	\$472.43	1.02%
Overall			100%

Full VRF Conversion Per Driver

Vehicle Value Range	Annual Rate	Change when factoring \$297 savings	Percentage of Registered Vehicles (2018)
\$0-\$4,999	\$108.75	\$213.50 (\$322 - \$108.5)	46.34%
\$5,000 - \$24,999	\$217.50	\$129.5 (\$347 - \$217.5)	40.96%
\$25,000 - \$34,999	\$435	\$38 (\$435 - \$397)	7.04%
\$35,000 - \$59,999	\$652.50	\$205 (\$652.5 - \$447)	4.64%
\$60,000 & Up	\$761.25	\$289.25 (\$761.25 - \$472)	1.02%
Overall			100%

Possible Solutions -VMT Charge

- True user fee
- Privacy concerns
- Less equitable
- Variable payment
- 2.2 cents per mile = \$7.4B
- Monterey County Residents: \$206 - \$364 range in VRF per city
- Potential to save money or pay more at each tier.

VRF + VMT Per Driver

Vehicle Value Range	Annual Rate	Factoring in Annual Average Gas Tax of \$297.43	Monterey County VMT \$206-\$364 + VRF (-\$297.43)	% Registered Vehicles (2018)
\$0-\$4,999	\$25	\$322.43	\$231-\$389 (\$91.43 - \$66.57)	46.34%
\$5,000 - \$24,999	\$50	\$347.43	\$256-\$414 (\$91.43 - \$66.57)	40.96%
\$25,000 - \$34,999	\$100	\$397.43	\$306-\$464 (\$91.43 - \$66.57)	7.04%
\$35,000 - \$59,999	\$150	\$447.43	\$356-\$514 (\$91.43 - \$66.57)	4.64%
\$60,000 & Up	\$175	\$472.43	\$381-\$539 (\$91.43 - \$66.57)	1.02%
Overall				100%

VRF vs. VMT

Questions?