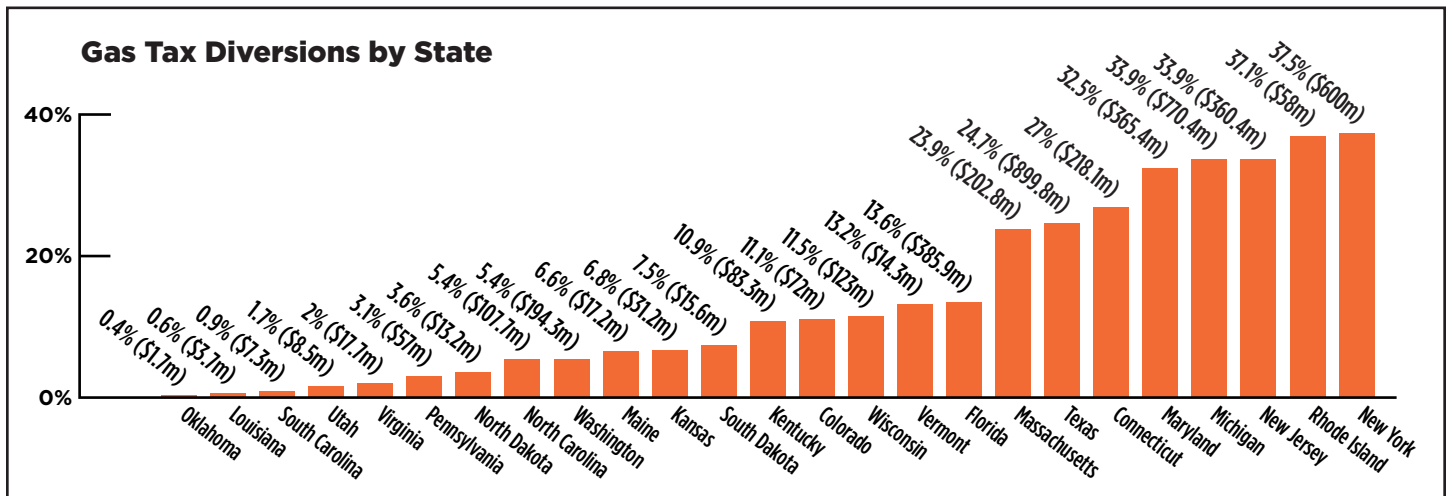
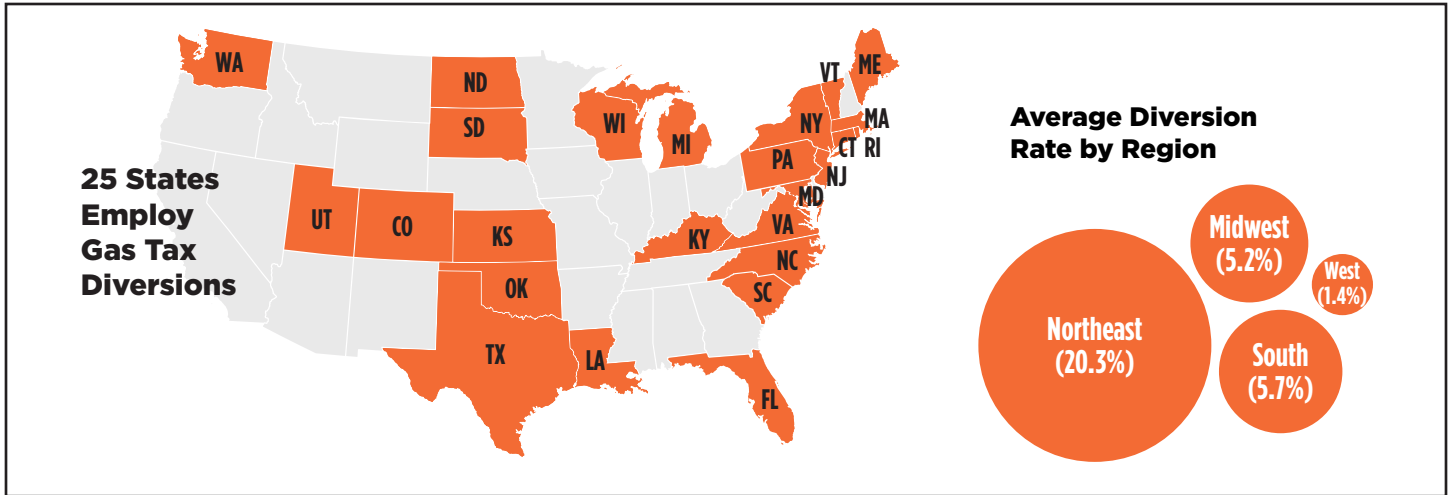



Revealing State Gas Tax Diversions

By violating the users-pay/users-benefit principle, diverting gas tax revenue away from roads poses both immediate and long-term threats to transportation funding.





 The largest and most common diversions, found in 20 states, are those to transit and active transportation (pedestrian and bicycle projects).

 Ten states divert a portion of their gas tax revenue to law enforcement and safety services, marking the second most common diversion.

Recommendations

1 In the short-term, mandate a 10% annual decrease in the diversion rate and require that roads and highways meet certain quality thresholds before any revenue is diverted.

 Though less frequent, diversions to education tend to be substantial, accounting for 25.9% and 24.7% of gas tax revenue in Michigan and Texas respectively.

 Other states divert gas tax revenue to tourism, environmental programs and administrative costs. In total, 22 states divert over 1% of their gas tax revenue.

2 Longer-term, enact legislation or constitutional amendments that prevent the diversion of gas tax revenue.

3 Ultimately, mileage-based user fees should replace state gas taxes and distribute the exact costs of using highways onto the drivers using them.