



The Vermont Legislative Research Service

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This highly regressive tax is based on a tax on gallons of fuel used. For its proponents, the logic behind such a tax is clear: they contend that in addition to the declining revenue from the gasoline tax, the gasoline tax does not provide adequate incentive to dissuade driving.

¹ Furthermore, they say the tax is directed because most of the costs associated with driving, including road deterioration, noise, pollution, accidents, and congestion are directly tied to when, where, what, and how far one drives, not how much gasoline one purchases. In fact, the tax is particularly regressive on principal transportation administration, and

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State Actions Regarding the VMT

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¹ Congressional Budget Office, "Alternative Approaches To Funding Highways," Washington, DC: U.S. Congressional Budget Office, March 2011, accessed April 14, 2011, <http://www.cbo.gov/doc.cfm?index=12101&zzz=41624>.

² Congressional Budget Office, "Alternative Approaches To Funding Highways."

program, however, both the public and the national commission were concerned with the protection of privacy. In order to address the public's concerns, the Oregon Department of Transportation (ODOT) revised its charging system to include an open architecture, no government mandate for GPS technology installation into vehicles, the ability for motorists to choose how to report mileage, and the opportunity for private sector companies to market their services.

Unprepared to pass a road usage charge bill, in 2011 the Oregon legislature passed House Bill 2138, which allowed for a second pilot program to be developed. Eighty-eight drivers from three states participated in the second pilot program, along with two private vendors. This pilot satisfied the four major goals of achieving public acceptance that had been established: ease of use, motorist choice, open systems, and private sector administration. Drivers were charged 1.56 cents per mile and revenue exceeded fuel tax receipts by nearly 28%³

Drawing on the success of the pilot, ODOT proposed and the Oregon Legislature approved SB 810 in 2013. On July 1, 2015 the ODOT will rollout a voluntary 5,000 vehicle miles traveled user fee program.⁴

A study conducted from 2005 to 2007 by the Puget Sound Regional Council in the state of Washington found that the VMT did affect driver choices and had the potential to reduce congestion.⁵ An emissions-

options be considered to offset the loss of gas tax revenue. These included instituting the VMT, expanding tollbooths, higher licensing fees, and tying the gas tax to the consumer price index.⁸

The University of Iowa Public Policy Center conducted an extensive study on the VMT in 12 areas around the country.⁹ The released findings show that originally participants had concerns over privacy, but these concerns dissipated over the course of the study, as participants began

