New Report: Will Americans support higher gas taxes? Yes-under certain conditions

Mineta Transportation Institute transportation tax survey provides key facts for Congressional discussions

San Jose, Calif., June 25, 2015 – Common wisdom holds that Americans do not support increased taxes at the gas pump. However, a just-released <u>Mineta Transportation Institute</u> research report says the majority of Americans will support those taxes, but only if the revenue is invested in specific transportation improvements that people value. The results of a national telephone survey are detailed in <u>What Do Americans Think About Federal Tax Options to Support Public Transit, Highways, and Local</u> <u>Streets and Roads? Results from Year Six of a National Survey</u>. The survey findings have implications for current Congressional discussions about funding the transportation infrastructure.

The survey, the sixth in an annual series, was directed by Asha Weinstein Agrawal, PhD, and Hilary Nixon, PhD. The report is available for free download at http://transweb.sjsu.edu/project/1428.html

Two proposed federal bills would raise gas tax rates. One bill, <u>H.R. 1846</u>, would index the gas tax to inflation and create a bi-partisan, bi-cameral transportation commission that would provide long-term funding of the Highway Trust Fund (HTF). That bill is currently in the Subcommittee on Highways and Transit. Another proposed bill, <u>H.R. 680</u>, would increase the gas tax by five cents per year for three years. That bill is with the House Committee on Ways and Means.

But if either bill is to gain support, legislators must be confident that increases in transportation taxes and fees would be politically feasible.

This report provides valuable data.

"These survey results show that a majority of Americans would support higher taxes for transportation, but only under certain conditions," said Dr. Agrawal. "For example, a gas tax increase of 10 cents per gallon to improve road maintenance was supported by 71% of respondents, whereas support levels dropped to just 31% if the revenues were to be used more generally to maintain and improve the transportation system."

Specific taxes tested were ten variations on raising the federal gas tax rate or creating a new mileage tax, as well as one option for creating a new federal sales tax. In addition, the survey collected standard sociodemographic data, some travel behavior data, and respondents' views on the quality of their local transportation system and their priorities for government spending on transportation in their state.

"U.S. policymakers face a dilemma," said Dr. Nixon. "Transportation revenues available from state and federal gas taxes have fallen significantly, especially in terms of inflation-adjusted dollars per mile traveled. At the same time, the transportation infrastructure requires critical and expensive system upgrades."

That dilemma offers only two possible resolutions. Either the nation must dramatically lower its goals for system preservation and enhancement, or new revenues must be raised. If the latter is to happen, legislators must craft the means to pass those bills in a form that Americans will support. These survey results can help to shed light on current public opinion.

MTI has conducted several similar surveys.

The random-digit-dial telephone survey tested national support for federal gas, mileage, and sales tax options to raise revenue for transportation purposes. Multiple variations on the mileage-tax and gas-tax concepts were presented to test relative support levels among the options.

The Mineta Transportation Institute has conducted similar surveys annually since 2010. Looking across the six years of survey data, support for all the taxes has risen modestly since 2010. From 2014 to 2015, support increased for nine tax options.

A total of 1,503 adults completed the 2015 survey in either English or Spanish between February 26, 2015, and March 31, 2015. For the full sample, which included both land-line and cell-phone numbers, the margin of error was ± 2.53 percentage points at the 95% confidence level.

The full research report provides in-depth analysis of the survey results, reviewing trends in support across the six annual surveys, and investigating how the revealed opinions may vary according to respondents' socio-demographic, political, and travel-behavior characteristics. Go to http://transweb.sjsu.edu/project/1428.html

Tweet this: MTI just released the full research report - What are American views on increased transpo taxes and fees? http://ow.ly/ONkLX

ABOUT THE RESEARCH TEAM

Asha Agrawal, PhD, is director of the MTI National Transportation Finance Center and also an associate professor of urban and regional planning at San José State University. Her research and teaching interests in transportation policy and planning include transportation finance, pedestrian and bicycle planning, and planning and transportation history. She has a BA from Harvard University in folklore and mythology, an MSc from the London School of Economics and Political Science in urban and regional planning, and a PhD from the University of California, Berkeley in city and regional planning.

Hilary Nixon, PhD, is an associate professor and chair of urban and regional planning at San José State University. Her research and teaching interests are in environmental planning and policy focusing on the relationship between environmental attitudes and behavior, particularly with respect to waste management and linkages between transportation and the environment. She holds a BA from the University of Rochester in environmental management and a PhD in planning, policy, and design from the University of California, Irvine.

ABOUT THE MINETA TRANSPORTATION INSTITUTE

The Mineta Transportation Institute (MTI) conducts research, education, and information transfer programs regarding surface transportation policy and management issues, especially related to transit. Congress established MTI in 1991 as part of the Intermodal Surface Transportation Efficiency Act. MTI won national re-designation competitions in 2002, 2006 and 2012. The Institute is funded through the US Department of Transportation, the US Department of Homeland Security, the California Department of Transportation, and public and private grants. The internationally respected members of the MTI Board of Trustees represent all major surface transportation modes. MTI, the lead institute for the nine-university Mineta National Transit Research Consortium, is affiliated with San Jose (CA) State University's College of Business. Visit transweb.sjsu.edu

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