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Research: Careful program design can increase public support for a higher gas tax, new mileage tax.

Mineta Transportation Institute's fifth annual transportation tax survey could guide legislation.

San Jose, Calif., June 25, 2014 – Do Americans dislike gas tax increases as much as conventional wisdom implies? Not necessarily, according to a new <u>Mineta Transportation</u> <u>Institute</u> research report, <u>What Do Americans Think about Federal Tax Options to Support</u> <u>Public Transit, Highways, and Local Streets and Roads? Results from Year Five of a National</u> <u>Survey</u>. The study finds that support depends on how the tax is structured and described, with some options supported by a clear majority of Americans. The study, available for free PDF download at <u>http://transweb.sjsu.edu/project/1328.html</u>, was conducted by Asha Weinstein Agrawal, PhD, and Hilary Nixon, PhD.

"The generally accepted belief is that Americans would not support any kind of new transportation tax or tax increase," said Dr. Agrawal. "However, the results from all five years of this survey have shown that people will support new or increased taxes under certain conditions. For example, they prefer that the funds are specified for particular purposes, such as transportation infrastructure maintenance, safety enhancements, and addressing environmental issues."

The survey results across all five years show that opinions have changed little in that period, though support for the taxes has in general increased slightly.

Key 2014 findings related to raising taxes include:

- Of the 11 transportation tax options tested, five had majority support.
- Linking tax increases to safety, maintenance, or environmental benefits increased support at least ten percentage points among all the socio-demographic groups examined.
- Support levels varied considerably by the type of tax. When taxes were described with no information other than the tax type, a new sales tax was much more popular than either a gas tax increase or a new mileage tax.

Key 2014 findings specific to public transit include:

- A large majority (79 percent) said that expanding and improving transit services in their state should be a high or medium government priority.
- Almost two-thirds (64 percent) supported spending current gas tax revenues on transit, though the majority did not support increasing gas taxes or transit fares to improve transit.
- Only about one-third of respondents knew that the federal government helps to fund public transit.

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.

A total of 1,503 adults completed the survey in either English or Spanish. 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 percent confidence level.

Because this survey project is assessing trends in public support for federal transportation taxes, most survey questions were the same for all five years.

For a free PDF of the MTI research report, go to http://transweb.sjsu.edu/project/1328.html

ABOUT THE PROJECT INVESTIGATORS

Asha Agrawal, PhD, is director of the MTI National Transportation Finance Center and also an associate professor and chair 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 of urban and regional planning at San José State University. Her research and teaching interests in environmental planning and policy focus on the relationship between environmental attitudes and behavior, particularly with respect to waste management and linkages between transportation and the environment. She has 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 (MTI):

MTI conducts research, education, and information transfer programs focusing on surface transportation policy and management issues, especially related to transit. MTI was established by Congress in 1991 as part of the Intermodal Surface Transportation Efficiency Act and won national re-designation competitions in 2002, 2006 and 2011. The Institute is funded by Congress through the US DOT Research and Innovative Technology Administration, by the California Legislature through Caltrans, and public and private grants. In 2006 the US Department of Homeland Security selected MTI as a National Transportation Security Center of Excellence. The internationally respected members of the MTI Board of Trustees represent all major surface transportation modes. MTI is affiliated with San Jose (CA) State University's College of Business. Visit transweb.sjsu.edu

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