

SJSU Research Center 210 N. Fourth St., 4th Floor San José, CA 95112 Tel // 408.924.9560 Fax // 408.924.7565 www.transweb.sjsu.edu



"...Californians support the concept of 'green' transportation taxes and fees."

"GREEN" TRANSPORTATION TAXES AND FEES: A SURVEY OF CALIFORNIANS

Asha Weinstein Agrawal, Jennifer Dill, and Hilary Nixon Research Brief - May 2009

Results of a public opinion poll show that Californians support the concept of "green" transportation taxes and fees. These are taxes and fees set at variable rates, with higher rates for more polluting vehicles and lower rates for those that pollute less.

To gauge public support for green taxes and fees, the poll asked respondents their views on several hypothetical tax and fee options, including a green vehicle registration fee and a green mileage fee. It also asked about a "feebate" program for new vehicle purchases under which more-polluting vehicles would be charged a tax and less-polluting vehicles would receive a rebate. In every case, Californians favored green approaches to transportation finance compared to flat-rate options.

Why pursue green transportation taxes and fees now?

Three converging trends point to green transportation taxes and fees as a promising approach to revising the current system:

- A desire for new transportation funding sources that are politically acceptable, as well as technically desirable for other reasons.
- A growing desire to encourage people to choose transportation behaviors and vehicles that will reduce air pollution and greenhouse gas emissions.
- Increasing support for market-based policies, such as tolls, that encourage socially desirable transportation choices.

How was the research done?

The authors conducted a random telephone survey of 1,500 Californian adults to test their support for the general concept of green transportation taxes and fees. The questionnaire asked respondents to indicate their level of support or opposition to five different transportation taxes or fees that would raise funds for maintaining and improving highways, mass transit, and local streets. Three of these were green options, while two were more traditional flat-rate versions of the green taxes tested. By having both flat-rate and green versions of the two taxes, the survey could identify how support levels might vary between the two options.

What do Californians think?

The survey results show that the concept of green transportation taxes and fees strongly appeals to Californians.

Support for Green Taxes & Fees

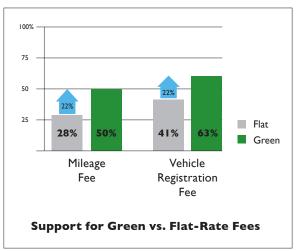
Support (%)
65
63
50

Majorities support all 3 green taxes and fees

Majorities of the respondents supported all three green taxes and fees tested. Even the green mileage fee, the least popular option, had 50% support. By contrast, the green vehicle registration fee and feebate policy both had support levels over 60%.

Californians prefer green to flat-rate taxes

Respondents greatly preferred green transportation taxes and fees to flat-rate versions. When asked if they would support increasing the vehicle registration fee from \$31 to a flat rate of \$62 for all vehicles, only 41% supported the increase. By contrast, almost two-thirds (63%) supported a green version of the fee that raised the fee to an average of \$62 per vehicle, but varied the rate according to the vehicle's emissions. In other words, converting the fee increase from a flat-rate one to a green version boosted support by 22 percentage points, from less-than-majority support to almost two-thirds support. Similarly, respondents preferred a green mileage fee to a flat-rate version, with 50% support for the former but only 28% support for the latter.



Respondents favor spending green-tax revenue on green transportation programs

The survey revealed that respondents would be more likely to support the green vehicle registration fee increase if the revenues were dedicated to transportation programs that would reduce smog and greenhouse gases. Sixty-four percent said they would be more likely to support the fee if the revenues were so used.

Support for green taxes holds across most population subgroups

Another key finding is that support for the green taxes and fees held at 50% or higher across most population subgroups. Also, when comparing support for the green and flat-rate vehicle registration fee and feebate proposals. in every subgroup more people supported the green than the flat version of the two taxes tested.

Despite broad support for the green taxes and fees, there were a few population sub-groups that stood out as the least supportive of the green taxes and fees. Among these groups with lower support levels were people who:

- · Were Republicans.
- · Drove the least fuel efficient vehicles.
- Did not hold pro-environment attitudes.
- · Lacked accurate information on transportation finance matters and on the relationship between motor vehicle use and environmental problems such as smog and greenhouse gas emissions.

Although these sub-groups were less likely to support the green taxes and fees, many of them nevertheless showed majority support for at least the feebate and green vehicle registration fee. For example, majorities of Republicans supported both these options, even though the support level was considerably lower than among Democrats.

Policy implications for transportation professionals and policymakers

The survey results suggest that the concept of green transportation taxes and fees is a promising avenue of exploration, as well as strategies that might increase popular support for raising additional transportation revenues.

For more details, download the full report at www.transweb.sjsu.edu Click on <u>Research</u> then <u>Publications</u>. There is no charge.