

SJSU Research Center 210 N. Fourth St., 4th Fl. San José, CA 95112

Tel // 408.924.7560 Fax // 408.924.7565

www.transweb.sjsu.edu

Board of Trustees

Founder

Hon, Norman Y. Mineta

Honorary Co-Chairs Congressman James Oberstar Congressman John L. Mica

Chair

William W. Millar

Vice Chair Mortimer Downey

Executive Director

Hon. Rod Diridon, Sr.

Ronald Barnes Rebecca Brewster Donald H. Camph Thomas Carper Anne P. Canby lane Chmielinski William Dorey Nuria I. Fernandez Steve Heminger Hon. John Horsley Will Kempton Brian Macleod Hon. Norman Y. Mineta Stephanie L. Pinson Hans Rat Dean David Steele Paul A. Toliver Michael S. Townes David L. Turney Edward Wytkind

For immediate release Contact: Donna Maurillo 831-234-4009 maurillo@mti.sjsu.edu

Mineta Transportation Institute Releases Results from National Survey about Public Support for Federal Transportation Tax Options

Americans say they would support a transportation tax if it were linked to environmental benefits.

San Jose, Calif., June 25, 2010 – The Mineta Transportation Institute (MTI) has just released What Do Americans Think about Federal Transportation Tax Options? Results from a National Survey. The survey, conducted from April 27-May 22, 2010, tested national public support for sales, gas, and mileage taxes that would raise revenue for transportation purposes. Researchers presented multiple variations on the mileage tax and gas tax concepts to test relative support levels among the different options. Among other findings, the telephone survey showed that linking a transportation tax to environmental benefits can strongly increase support. In 2008, MTI completed a similar study of Californians' opinions, which showed comparable results.

The primary researchers were Asha Weinstein Agrawal, PhD, director of MTI's National Transportation Finance Center, and Hilary Nixon, PhD, an assistant professor in the Department of Urban and Regional Planning at San José State University.

The survey was completed by 1,545 adults 18 years or older, speaking in either English or Spanish. The survey questionnaire presented eight tax options, including a flat-rate mileage tax, a mileage tax with a rate that varies by the vehicle's environmental performance, several versions of a gas tax, and a sales tax. None of the options received majority support, but three did fairly well, with support levels around 40 percent. The most popular were a half-cent sales tax (43 percent support), a ten-cent gas tax increase whose revenue would be used for projects to reduce the transportation system's impact on global warming (42 percent support), and a ten-cent gas tax increase spread over five years (39 percent support).

The survey also compared public support for alternative versions of the mileage and gas taxes. The "base" cases tested against alternatives were a flat-rate mileage tax of one cent per mile and a ten-cent gas tax increase with no additional information given. All variants of these base cases increased the level of support, some significantly. The option of varying the flat-rate (base) mileage tax by the vehicle's pollution levels increased support by a strong 12 percentage points. For the gas tax, all four variants to the base case increased support as well. Most notably, spreading the gas tax increase over five years increased support by 16 percentage points, and linking the increase to reducing global warming increased support by a full 19 percentage points.

The report offers two policy recommendations based on the survey. First, linking a transportation tax to environmental benefits can strongly increase support. Support for the mileage tax rose significantly when the flat-rate tax was converted to a tax with a rate that varied according to the vehicle's pollution emissions. The increase in support for a gas tax was even more striking when respondents were told that the revenues would be spent on transportation projects to reduce global warming.

Second, the survey results showed that the very low support levels for a one-time gas tax increase can be raised by modifying how the tax is structured and the way it is described. Linking the revenue to environmental benefits is one good option, and spreading the increase over several years is another.

The survey has a margin of error of plus or minus 2.5 percentage points at the 95 percent confidence level. The report may be downloaded at no charge from transweb.sjsu.edu/project/2928.html

ABOUT THE RESEARCHERS

Asha Weinstein Agrawal, PhD

Dr. Agrawal is Director of the MTI National Transportation Finance Center and 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 planning, and urban street design. She also works in planning and transportation history. She has a B.A. from Harvard University in Folklore and Mythology, an M.Sc. from the London School of Economics and Political Science in urban and regional planning, and a Ph.D. from UC Berkeley in city and regional planning.

Hilary Nixon, PhD

Dr. Nixon is an assistant 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 related to waste management and linkages between transportation and the environment. She has a B.A. from the University of Rochester in environmental management and a Ph.D. in planning, policy, and design from UC Irvine.

ABOUT THE MINETA TRANSPORTATION INSTITUTE

The Mineta Transportation Institute (MTI) was established by Congress in 1991 as part of the Intermodal Surface Transportation Efficiency Act (ISTEA) and was reauthorized under TEA-21 and again under SAFETEA-LU. The institute is funded by Congress through DOT's Research and Innovative Technology Administration, by the California Legislature through the Department of Transportation (Caltrans), and by other public and private grants and donations, including grants from DHS. DOT selected MTI as a National Center of Excellence following a 2002 competition. The internationally respected members of the MTI Board of Trustees represent all major surface transportation modes. MTI's focus on policy and management resulted from the Board's assessment of the transportation industry's unmet needs and led directly to the choice of the San José State University College of Business as the institute's home. MTI conducts research, education, and information and technology transfer, focusing on multimodal surface transportation policy and management issues. Visit www.transweb.sjsu.edu