

The State of Wisconsin Transportation

February 2026

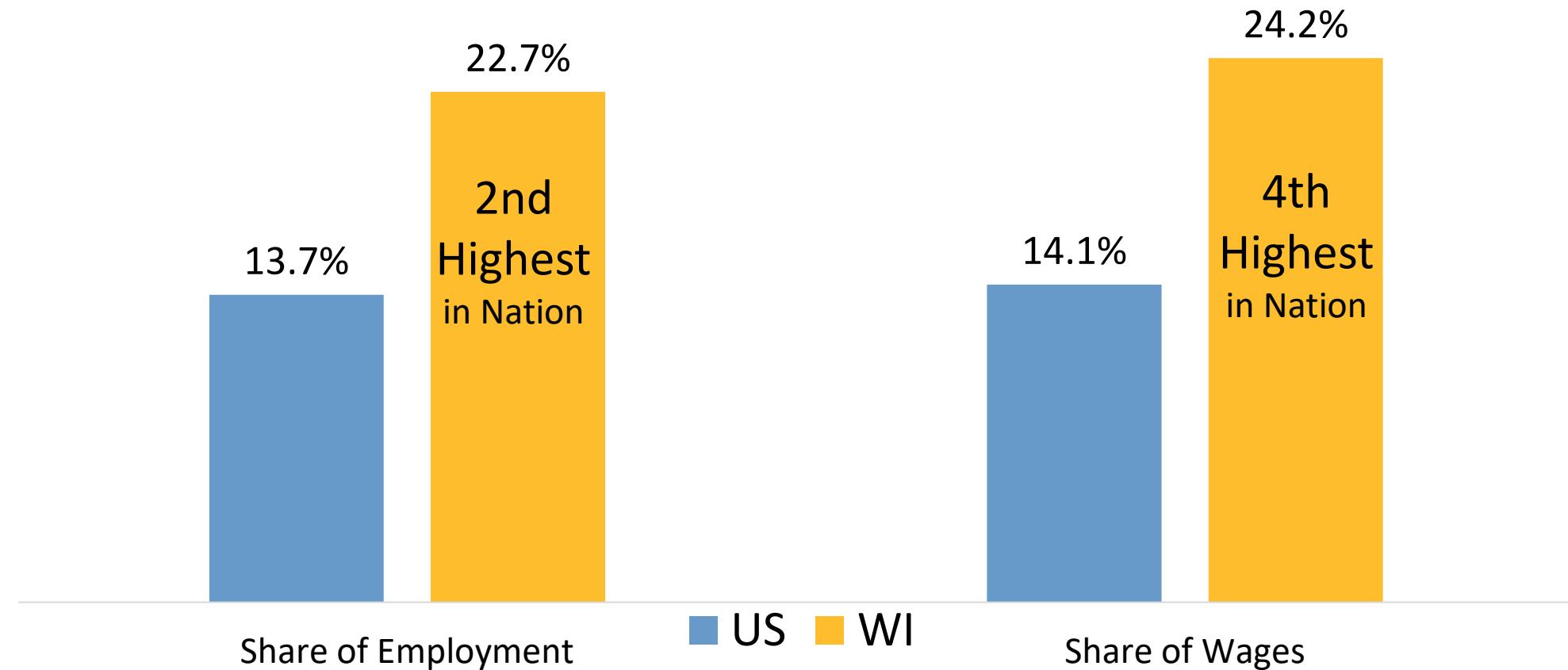


2.17.2026

Wisconsin's Transportation-Dependent Economy

Transportation-Dependent Industries Critical for Wisconsin

Employment & Wage Shares, Manufacturing, Trucking, Agriculture, & Mining, WI & US, 2023

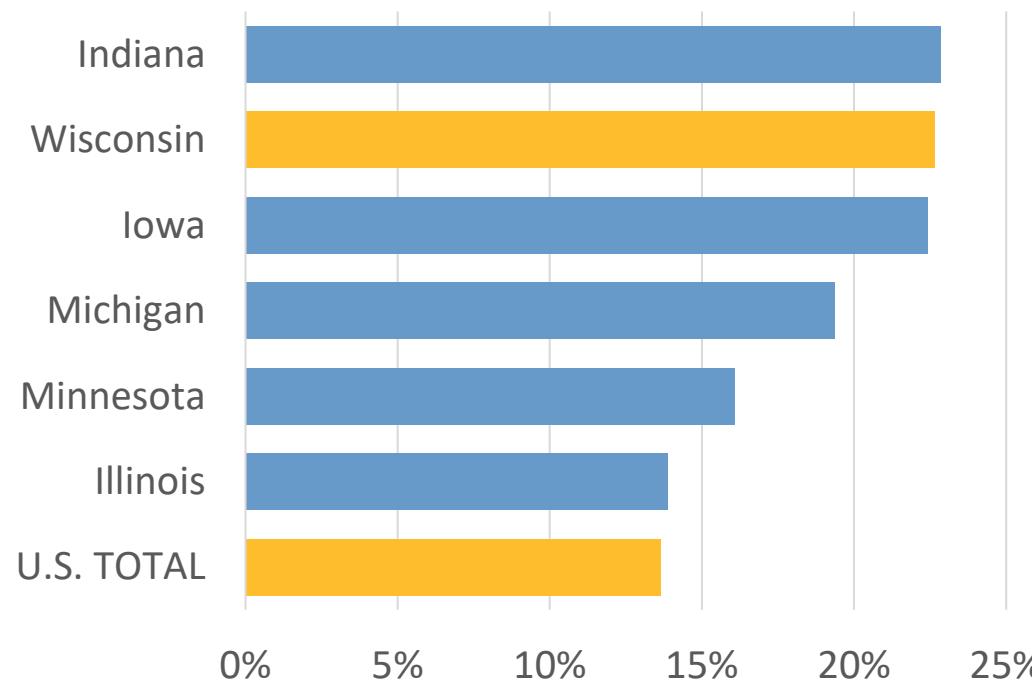


Wisconsin's Transportation-Dependent Economy

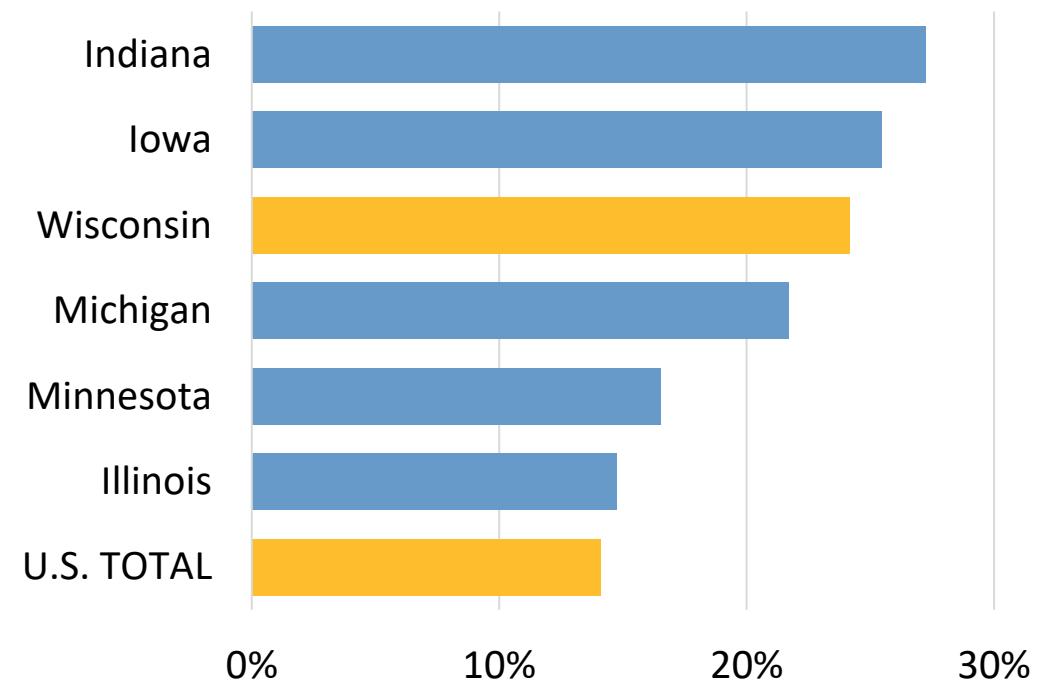
More Transportation-Dependent Than Neighbors, US Avg.

Transportation-Dependent Sectors, 2023

Employment



Wages



Wisconsin's Transportation-Dependent Economy

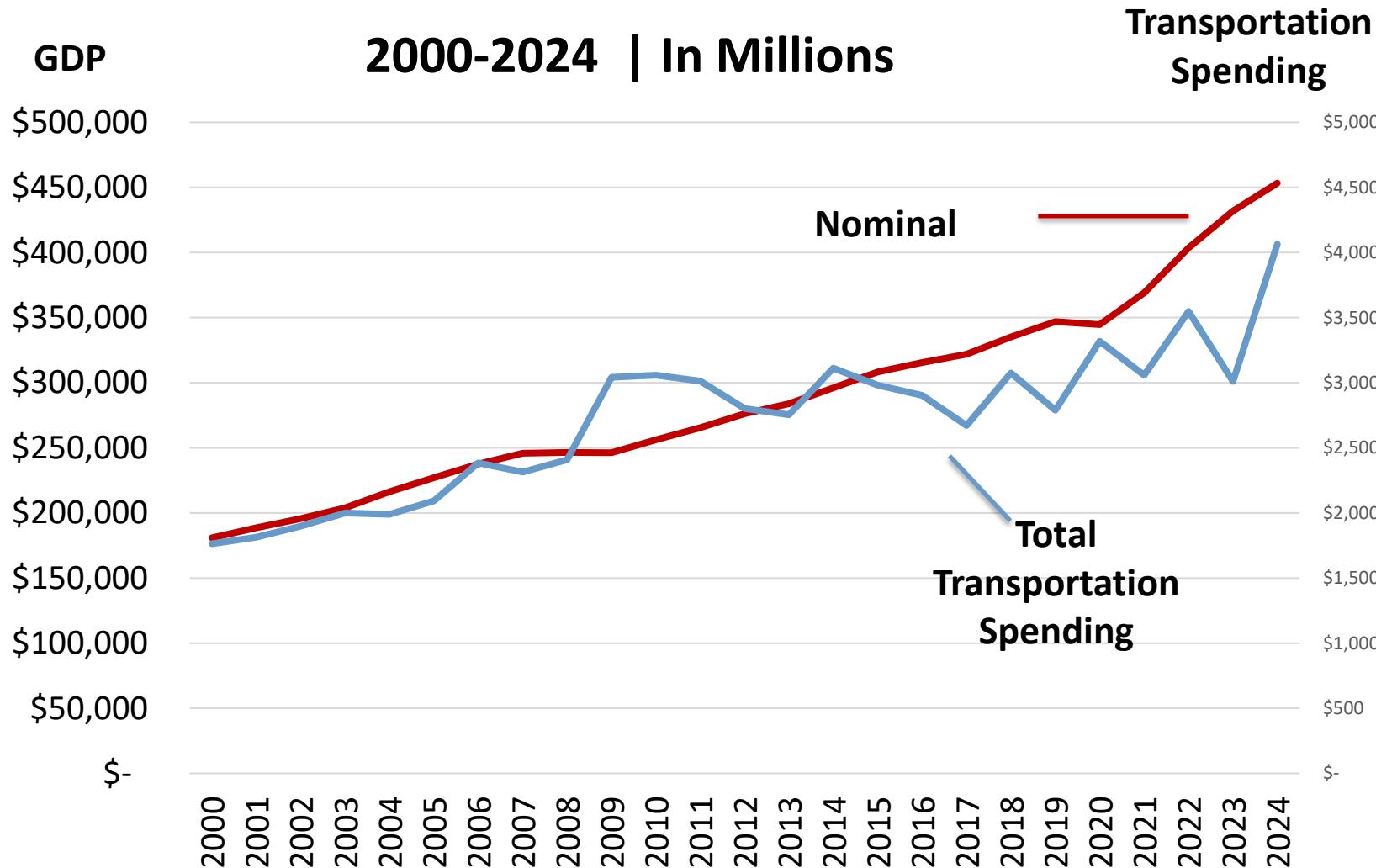
Over 100 Million Tourism Visits Each Year

- 114 million visits generate \$16.3 billion in direct visitor spending, resulting in:
 - \$1.7 billion in state and local taxes.
 - \$1.4 billion in federal taxes.
- Each Wisconsin household would need to pay **\$678 in taxes** to maintain the current level of government services generated by tourism spending.



Wisconsin's Transportation-Dependent Economy

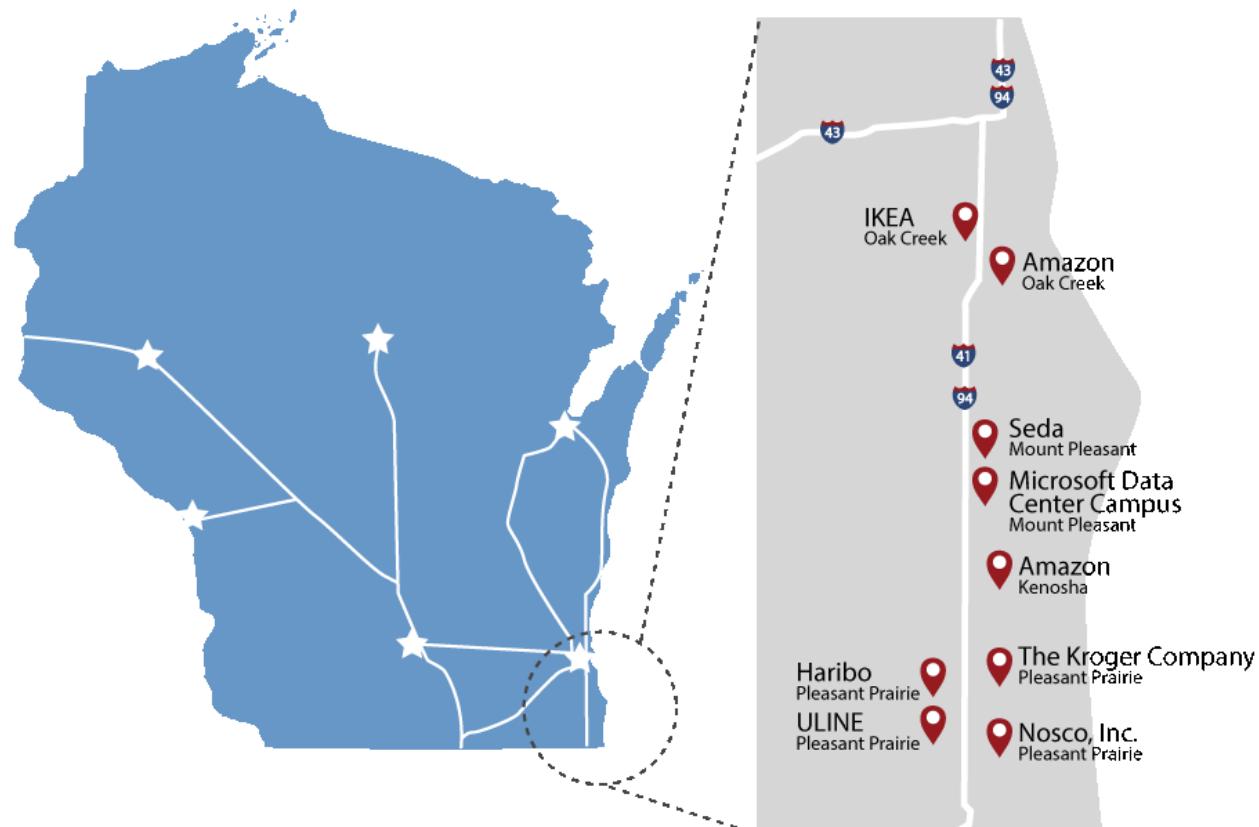
Investment is Not Keeping Up with the Economy



Before 2017,
annual
transportation
spending was
about 1% of GDP.

Wisconsin's Transportation-Dependent Economy

Case Study: Business Booms Along Improved I-94 N-S

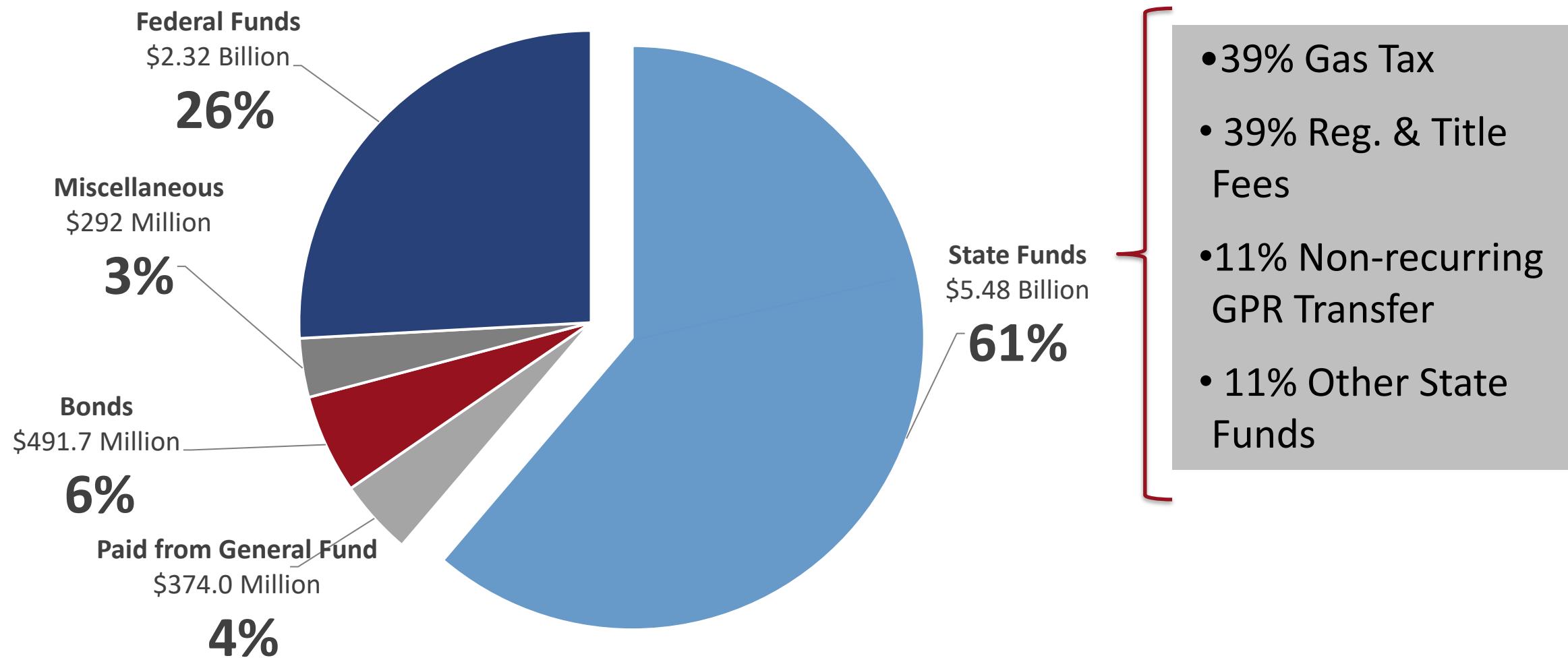


\$2 billion investment = \$11 billion (108%) increase in assessed property values along the corridor since 2015, compared to 30% in the rest of Milwaukee, Kenosha, and Racine counties.

How Wisconsin Funds Transportation

How Wisconsin Funds Transportation

All Funds Budget Overview of Revenue (2025-27)



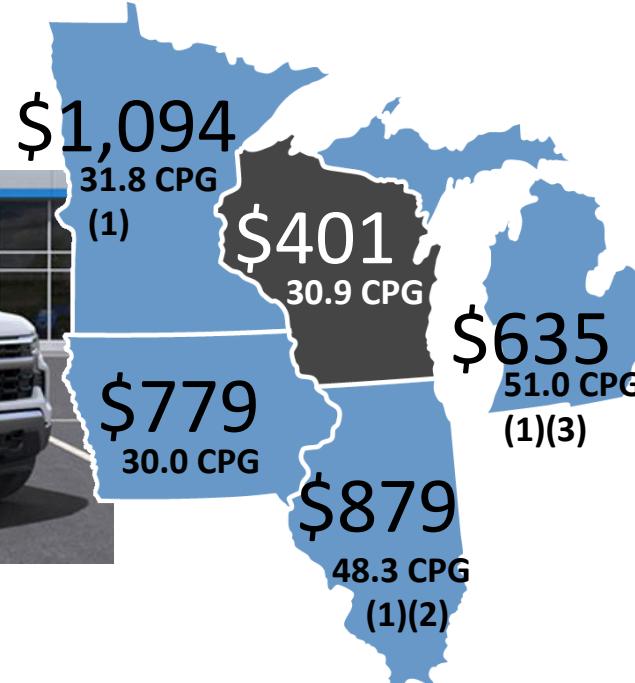
How Wisconsin Funds Transportation

It's Cheaper to Drive in Wisconsin, Even in Madison

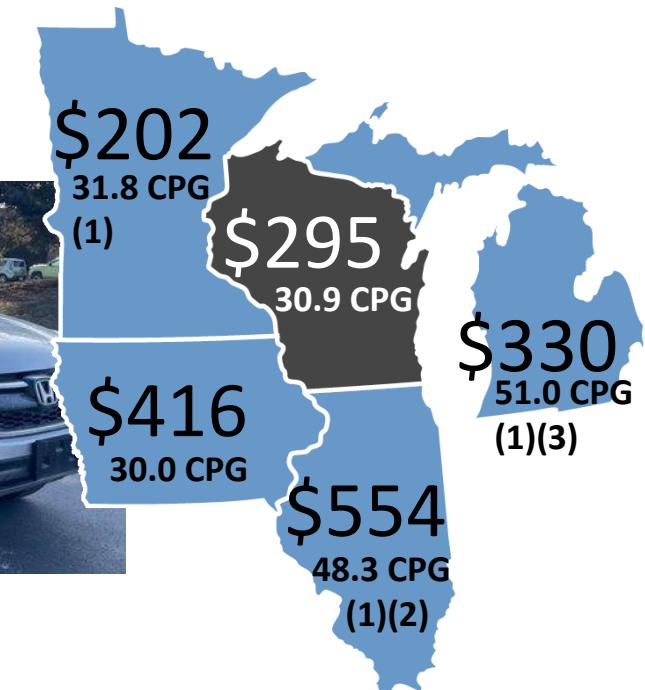
The cost for Wisconsin motorists to own and drive vehicles is the lowest in the Midwest in most cases. The exception is older vehicles, as MN's value-based tab fees drop 5-15% yearly for the first 10 years of ownership.



2024 Chevy Silverado



2015 Honda CRV



1) Annual adjustment to maintain purchasing power.

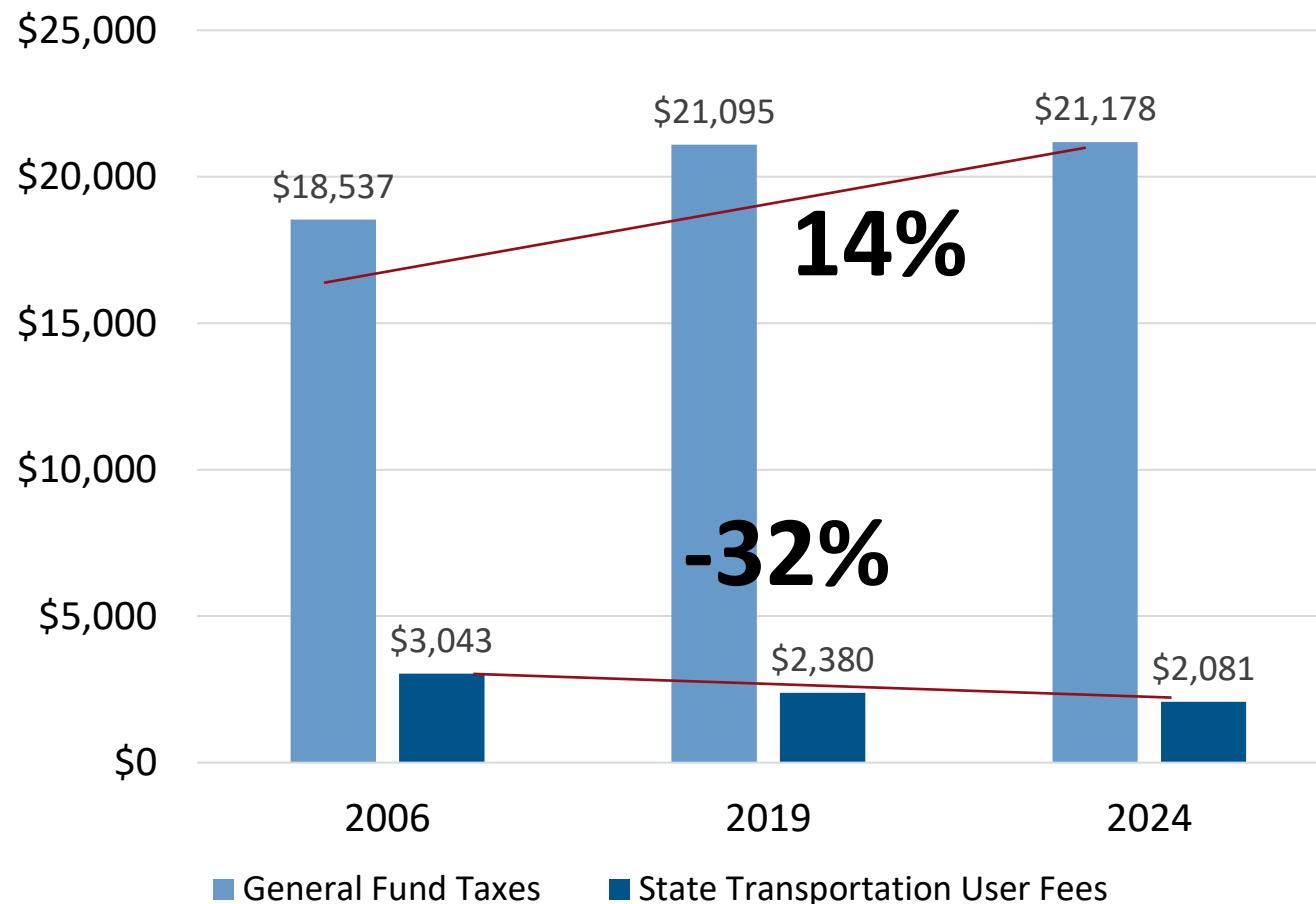
2) State also charges sales tax on gas. Est. rate including sales tax: +17 CPG IL.

3) Effective 1/1/2026 Michigan's 6% sales tax on gas becomes a 20-cent increase to the excise tax (reflected above).

How Wisconsin Funds Transportation

Transportation User Fees Don't Grow Like General Fund Taxes

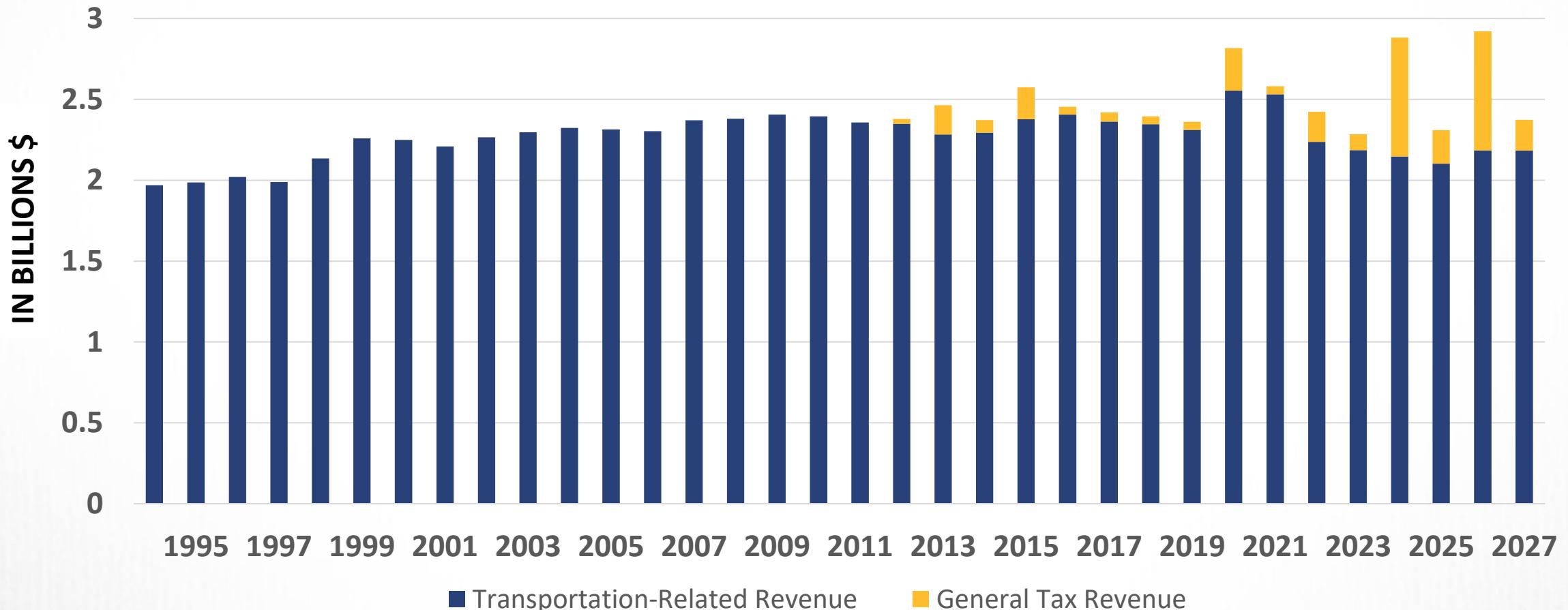
IN MILLIONS



- General Fund tax collections in 2024 dollars (CPI) increased 14%, despite tax cuts, with growing incomes, prices, and consumer spending buoying the fund.
- Transportation user fee revenue (in 2024 \$s, WCCI) **decreased 32%** despite some fee increases.

How Wisconsin Funds Transportation

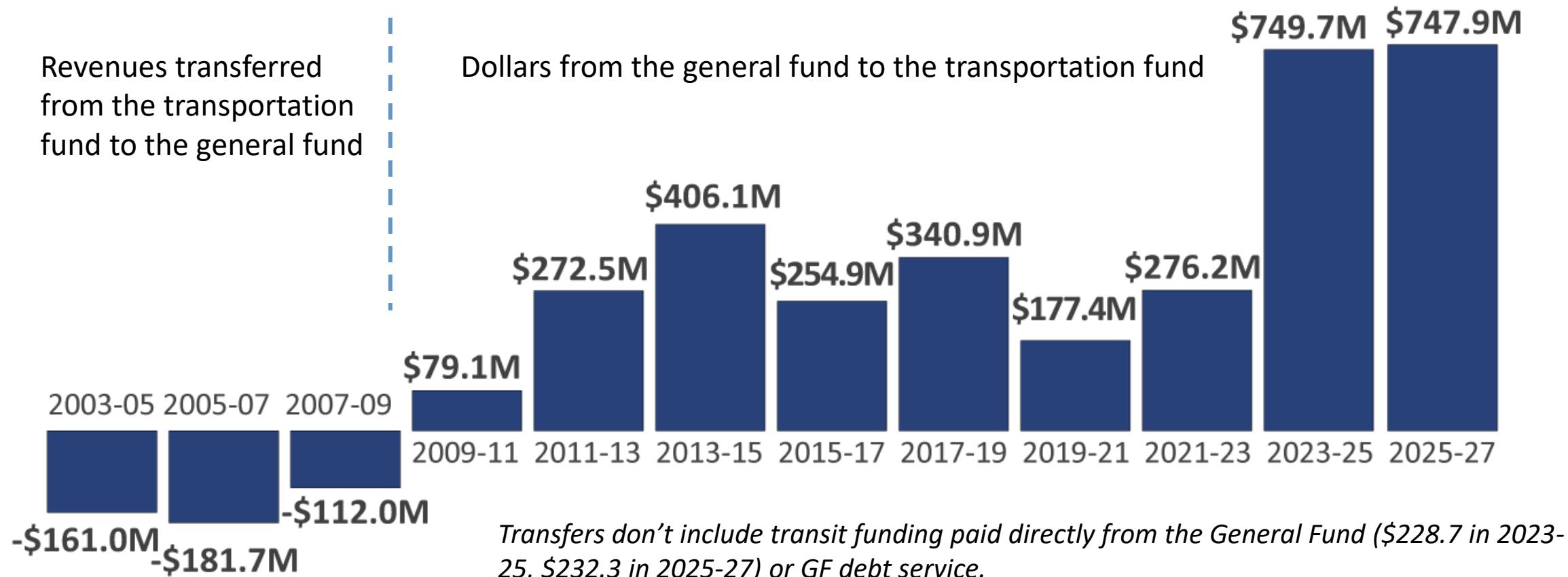
Inflation Adjusted Transportation Revenue Lower Than 2000



Total transportation revenue by fiscal year 1994 to 2025, adjusted to 2023 dollars (CPI)

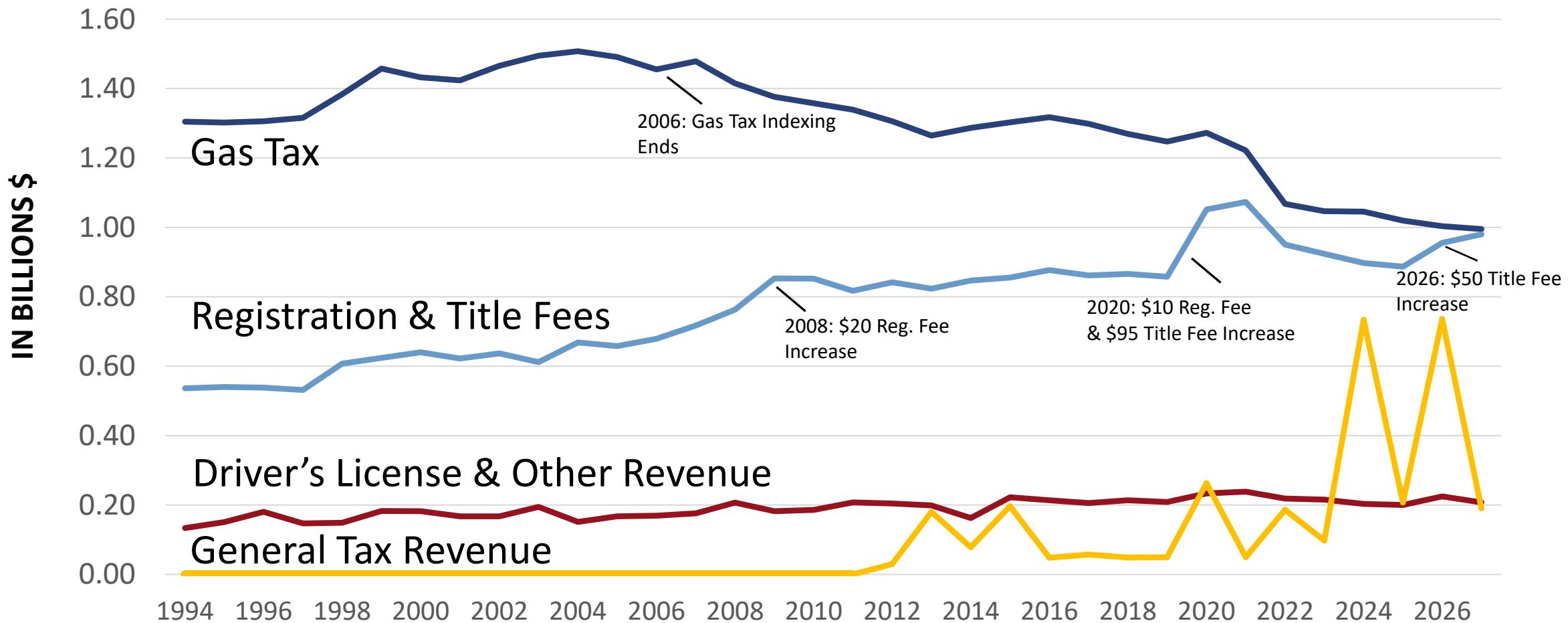
How Wisconsin Funds Transportation

Wisconsin Increasingly Relies on General Fund Revenue



How Wisconsin Funds Transportation

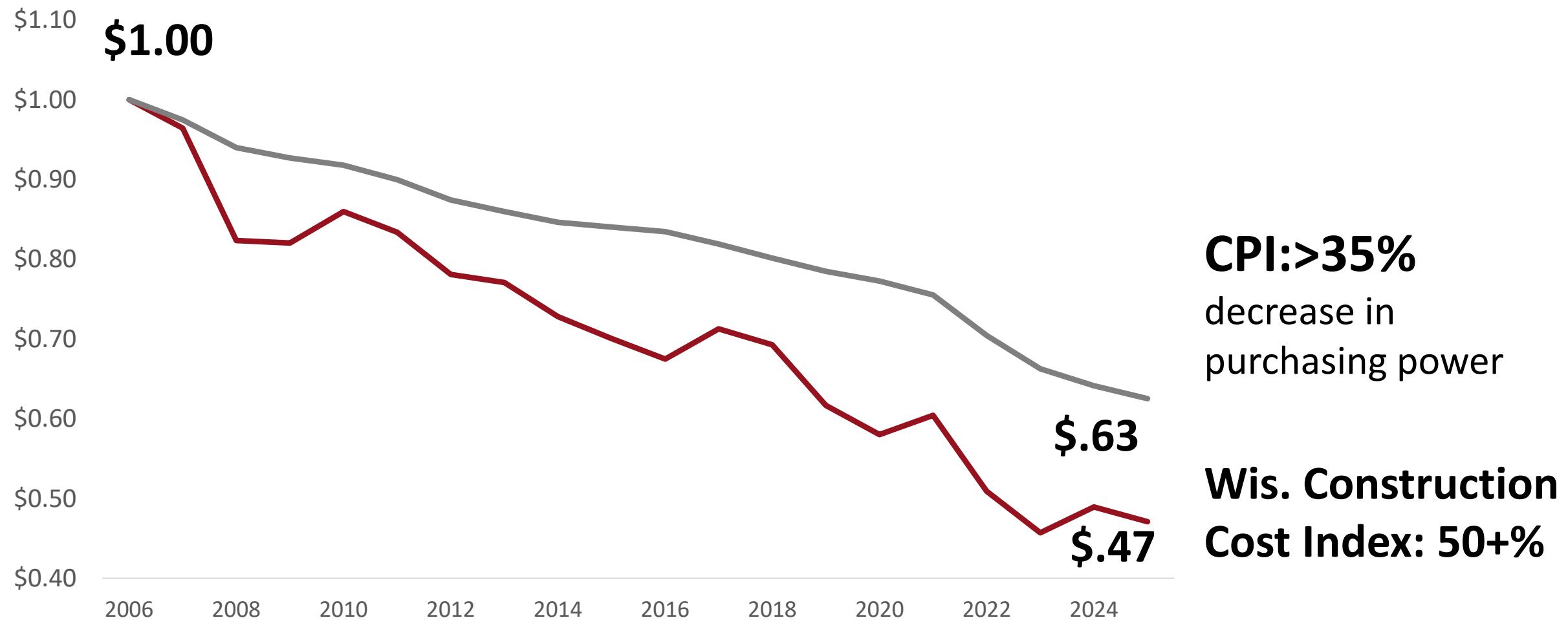
State Gas Tax has Not Kept Pace with Inflation Since 2006



Major state transportation fund revenue sources, state fiscal years, adjusted for inflation to 2023 dollars (CPI)

How Wisconsin Funds Transportation

Gas Tax Purchasing Power Declines, Construction Inflation Outpacing CPI



CPI:>35%

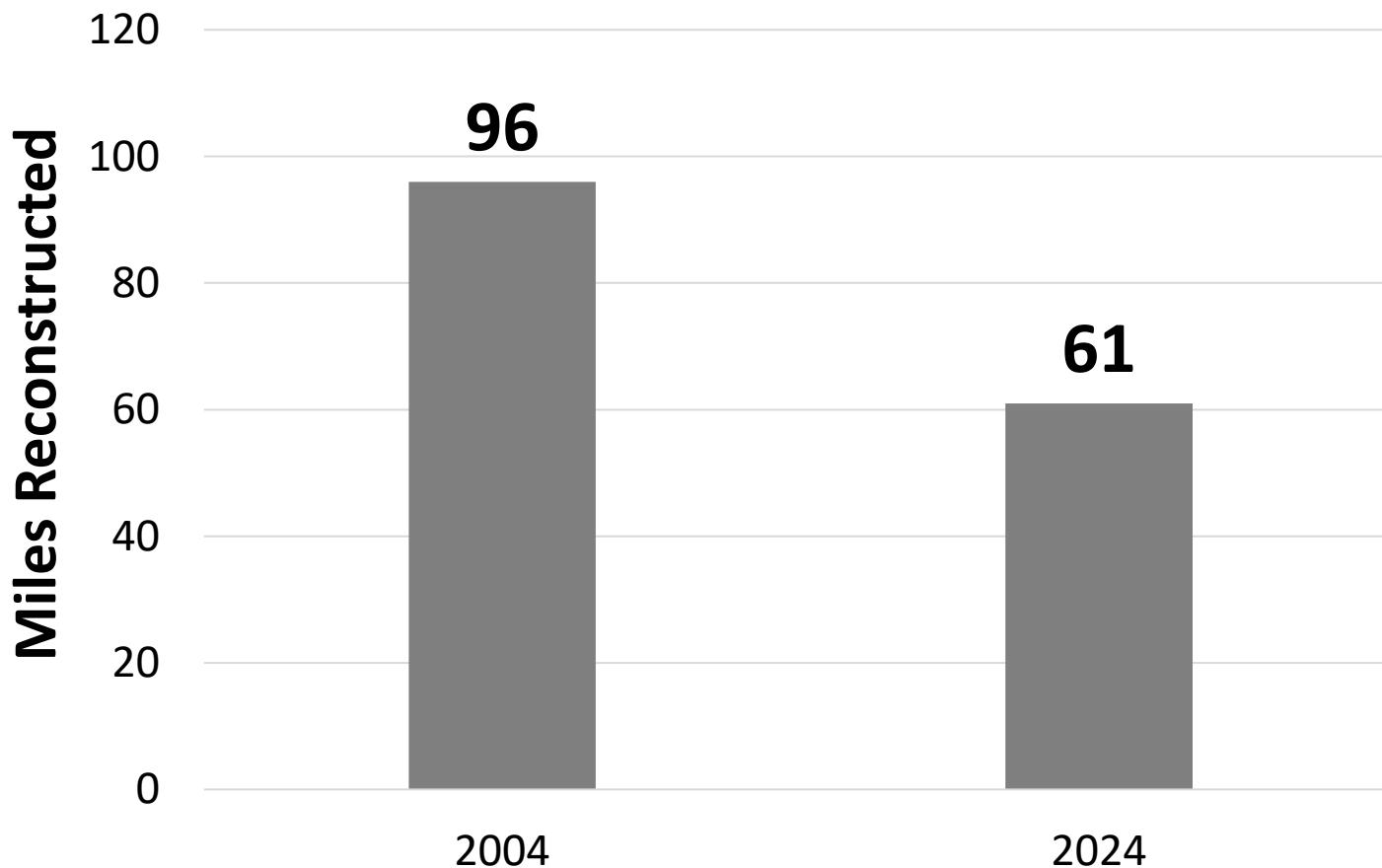
decrease in
purchasing power

**Wis. Construction
Cost Index: 50+%**

How Wisconsin Funds Transportation

Construction Inflation Reduces Number of Road Improvement Projects

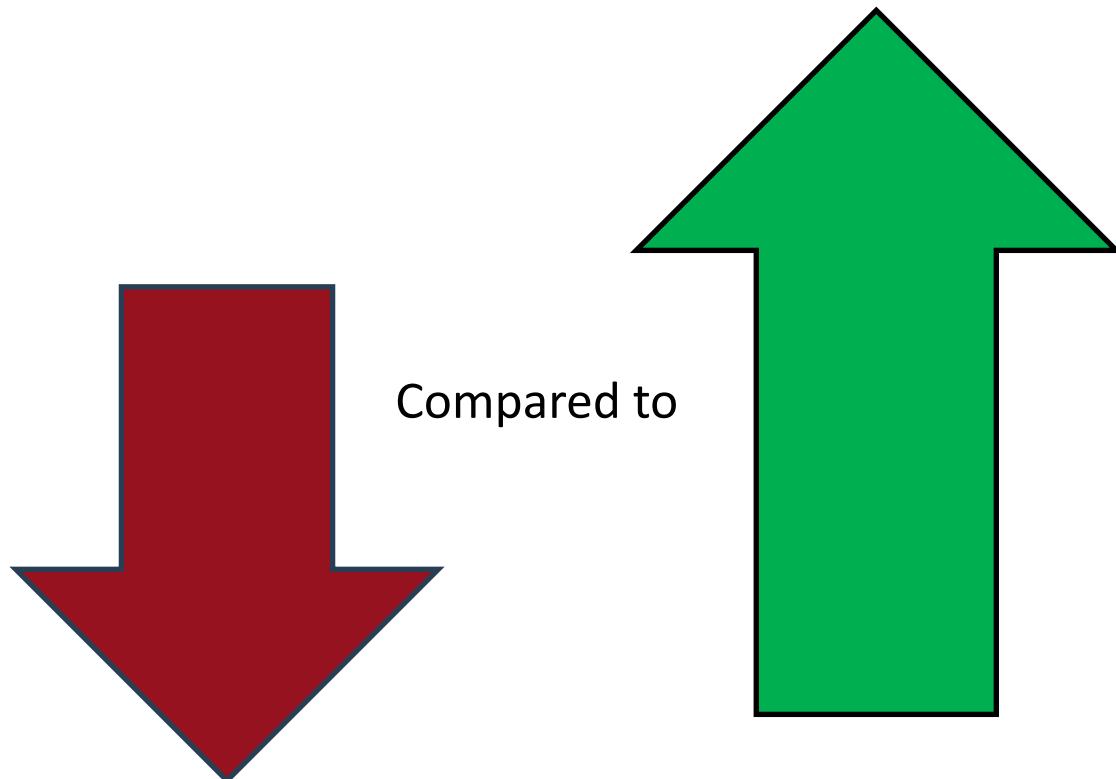
\$100 Million Investment (in 2004 constant dollars using CPI)



Despite Investment levels staying constant (CPI), the number of miles reconstructed declines as **Wisconsin Construction Inflation outpaces CPI.**

How Wisconsin Funds Transportation

Motorists Are Paying Less in Gas Tax



\$36.68

Less Gas Tax Paid

\$55.89

More on a \$100 market
basket of goods and
services

- Average fuel efficiency increased from 20.3 MPG in 2006 to 25.4 MPG in 2025.
- Motorists driving 12,000 miles/year buys 118.7 fewer gallons than in 2006.
- And pays **\$36.68 less in today's dollars.**

How Wisconsin Funds Transportation

Fuel-Efficient Vehicles Equal Gas Tax Break

Fuel Efficiency's
Gas Tax Cut

7.8¢

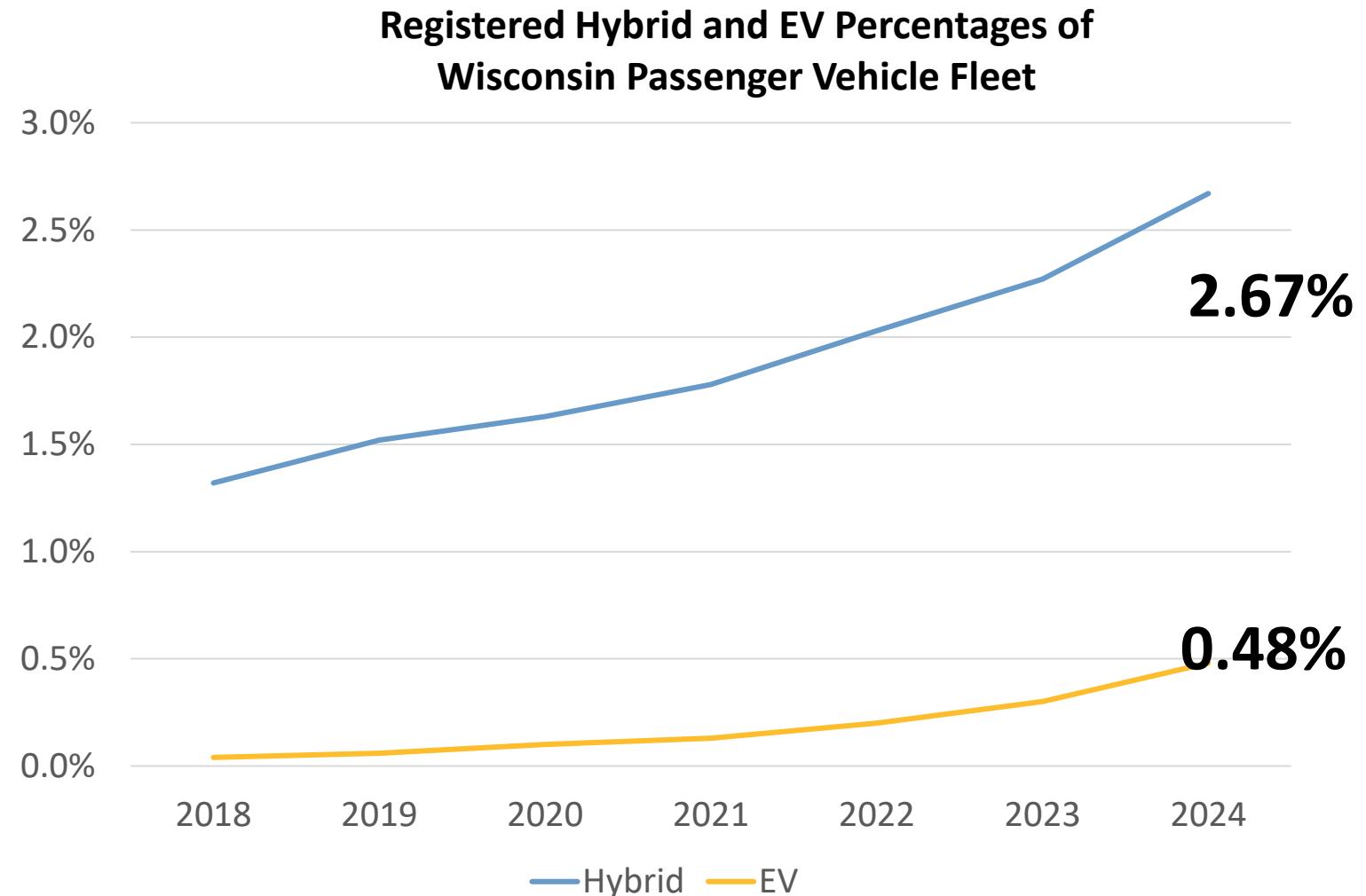
per gallon

- The **25% increase in fuel economy** since 2006 results in reduction for the average motorist equal to about 7.8 cents per gallon.
- Or an estimated **\$267 million in gas tax revenue annually**.

How Wisconsin Funds Transportation

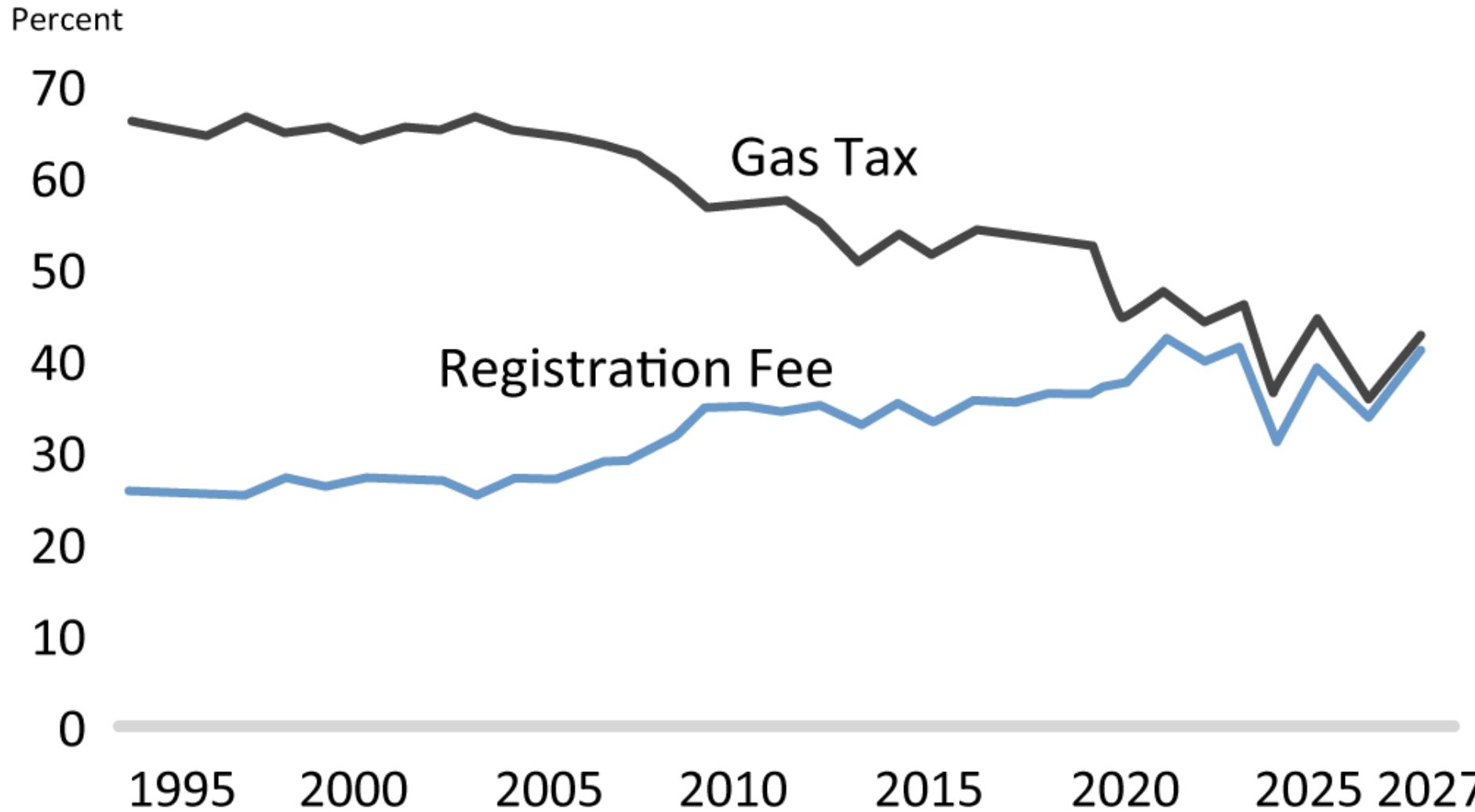
Gas Powered Vehicles Are Not Going Away Soon

Nearly 97%
of Wisconsin's 4.8M
passenger vehicle fleet
are non-hybrid, gas-
powered vehicles.



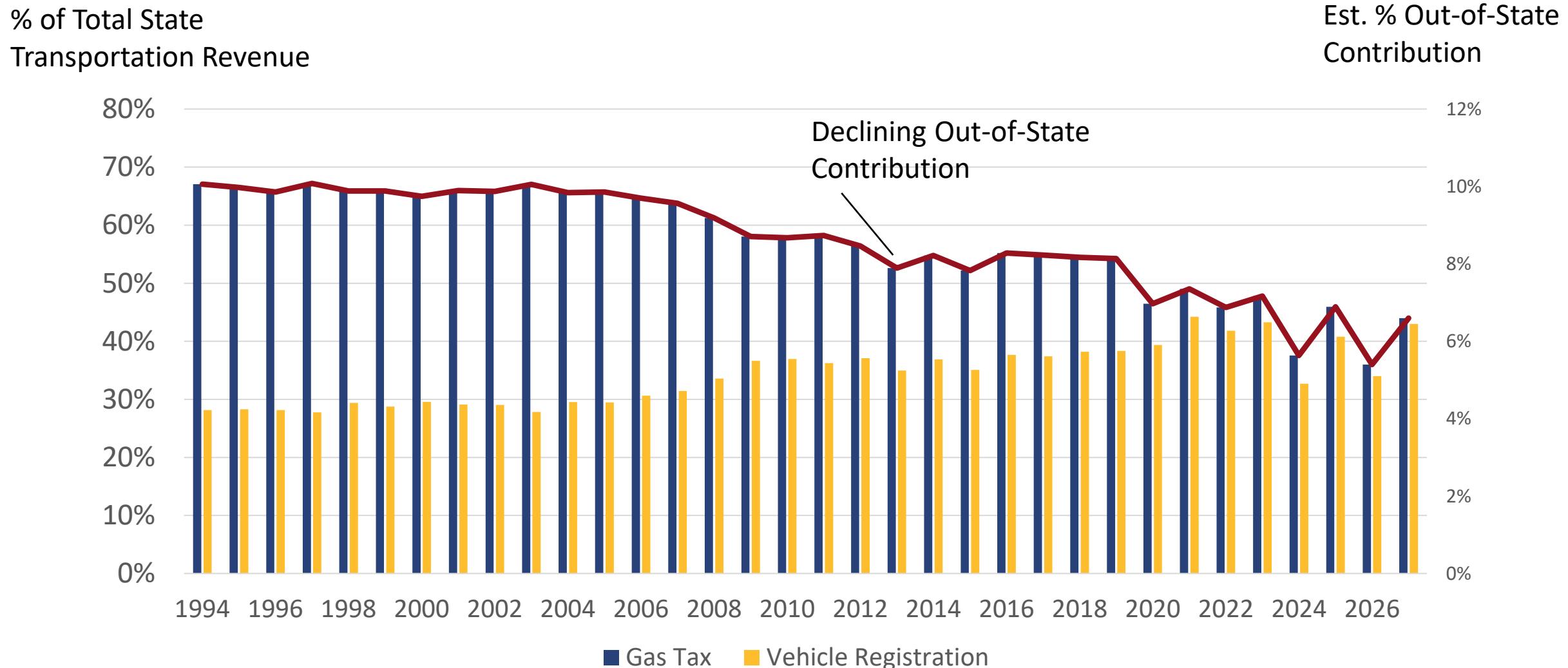
How Wisconsin Funds Transportation

Registration Fee Revenue Now Rivals Gas Tax



How Wisconsin Funds Transportation

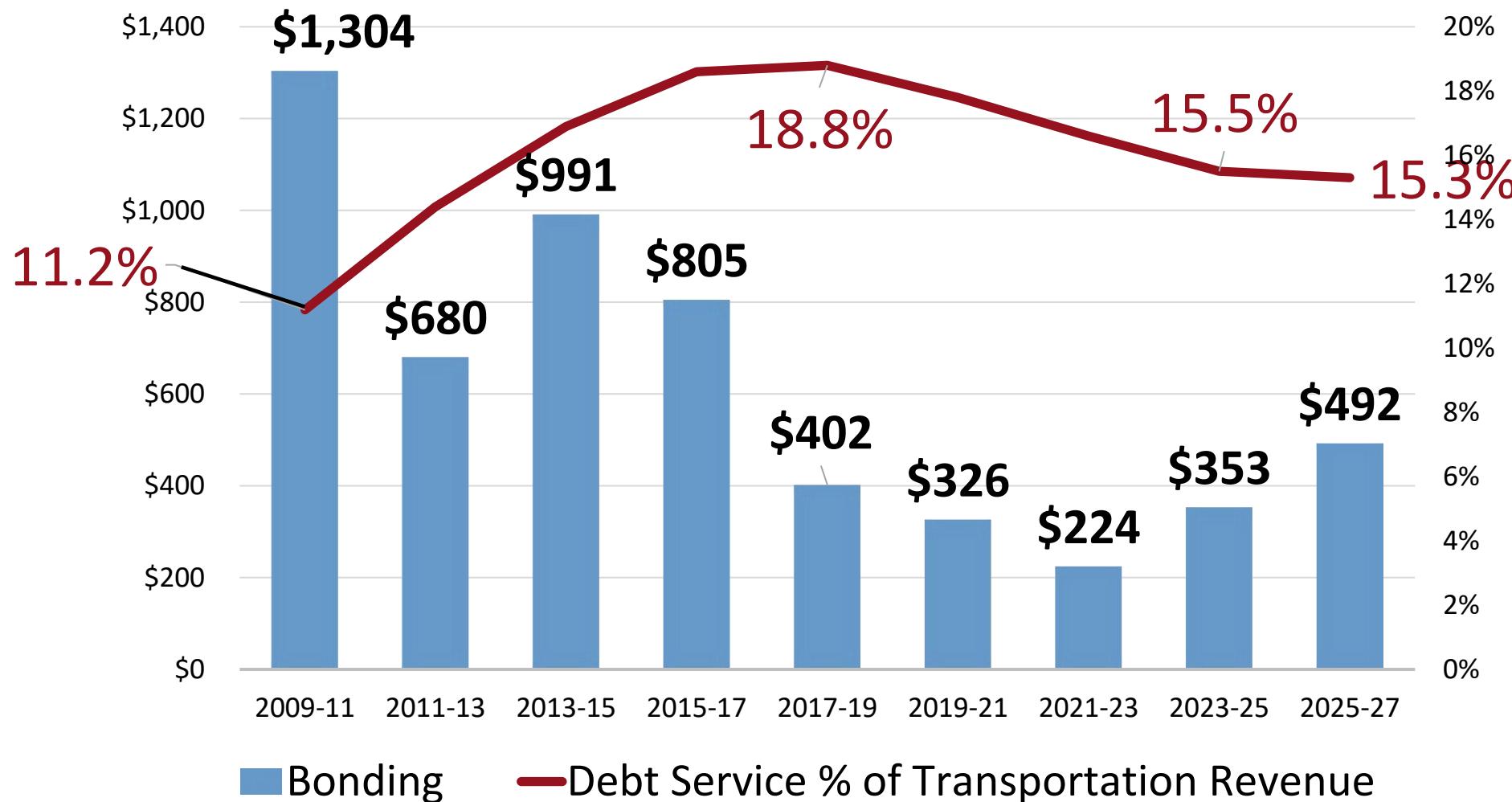
Percentage of Out-of-State Contribution Drops by More Than 30%



How Wisconsin Funds Transportation

Wisconsin Bends Debt Service Trend, Work Still To Do

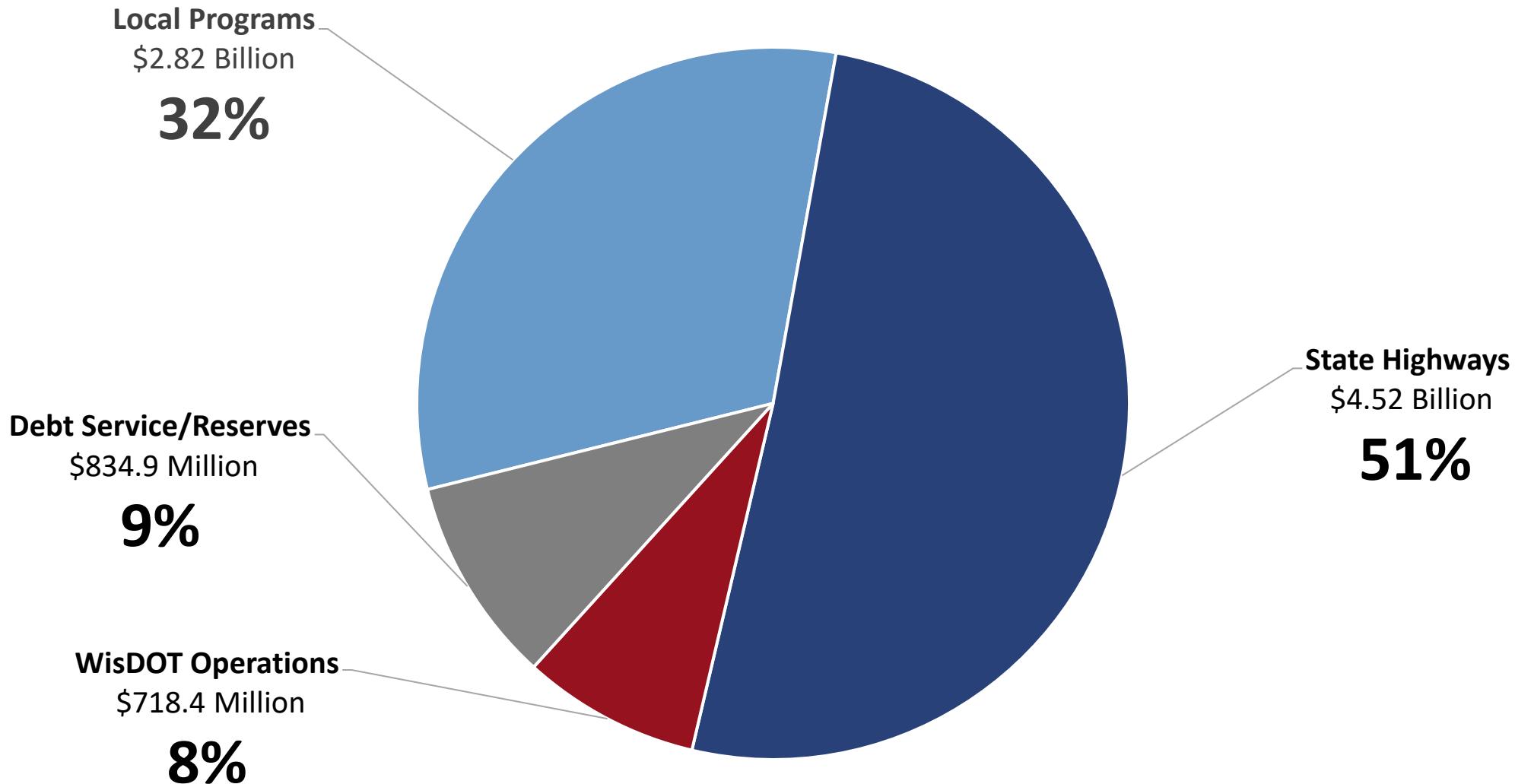
IN MILLIONS



Where the Money Goes

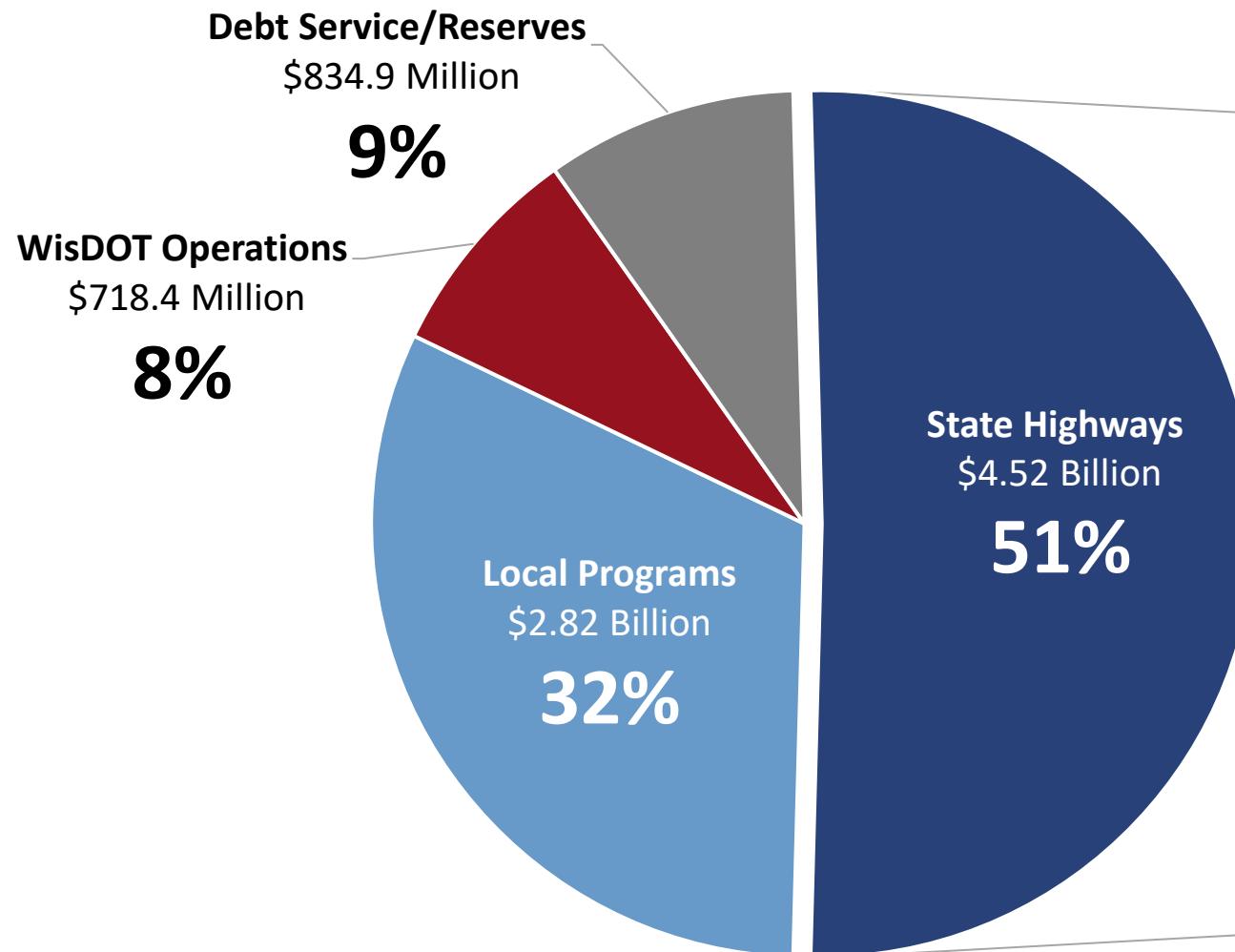
Where the Money Goes

All Funds Budget Overview of Spending (2025-27)

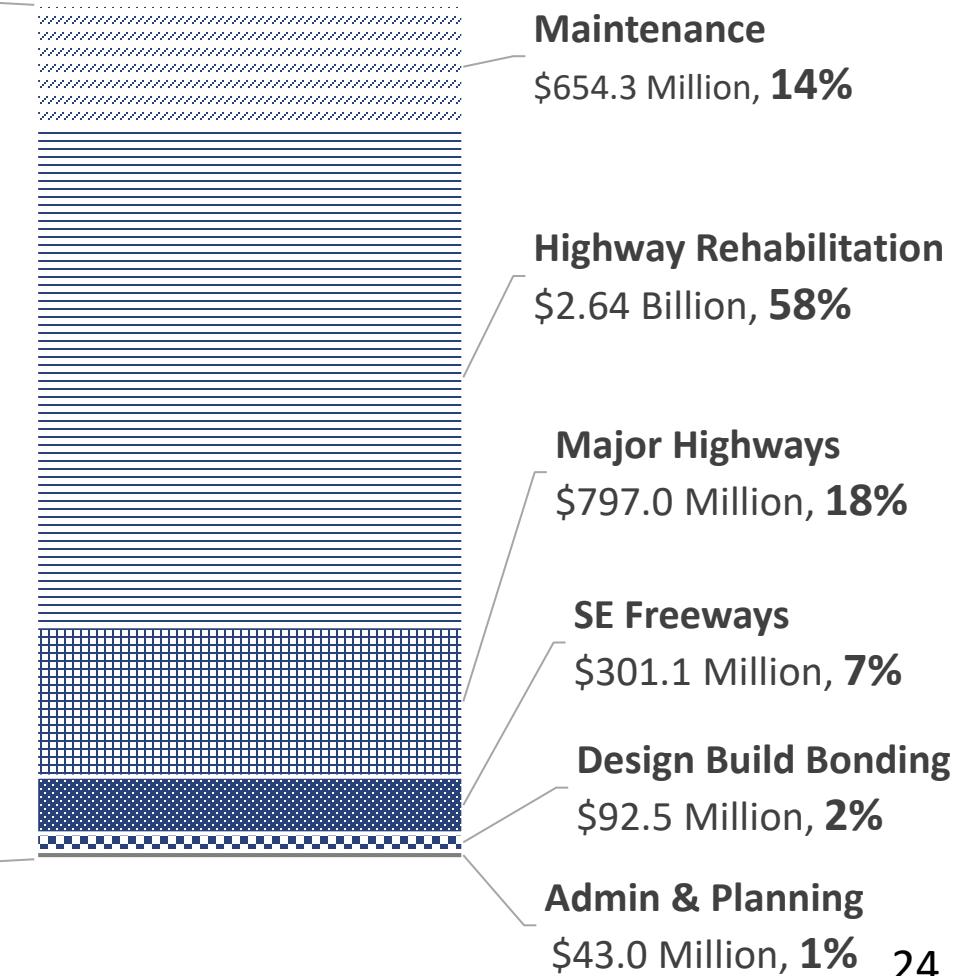


Where the Money Goes

Majority of Highway Spending Aimed at Maintaining Highway Conditions

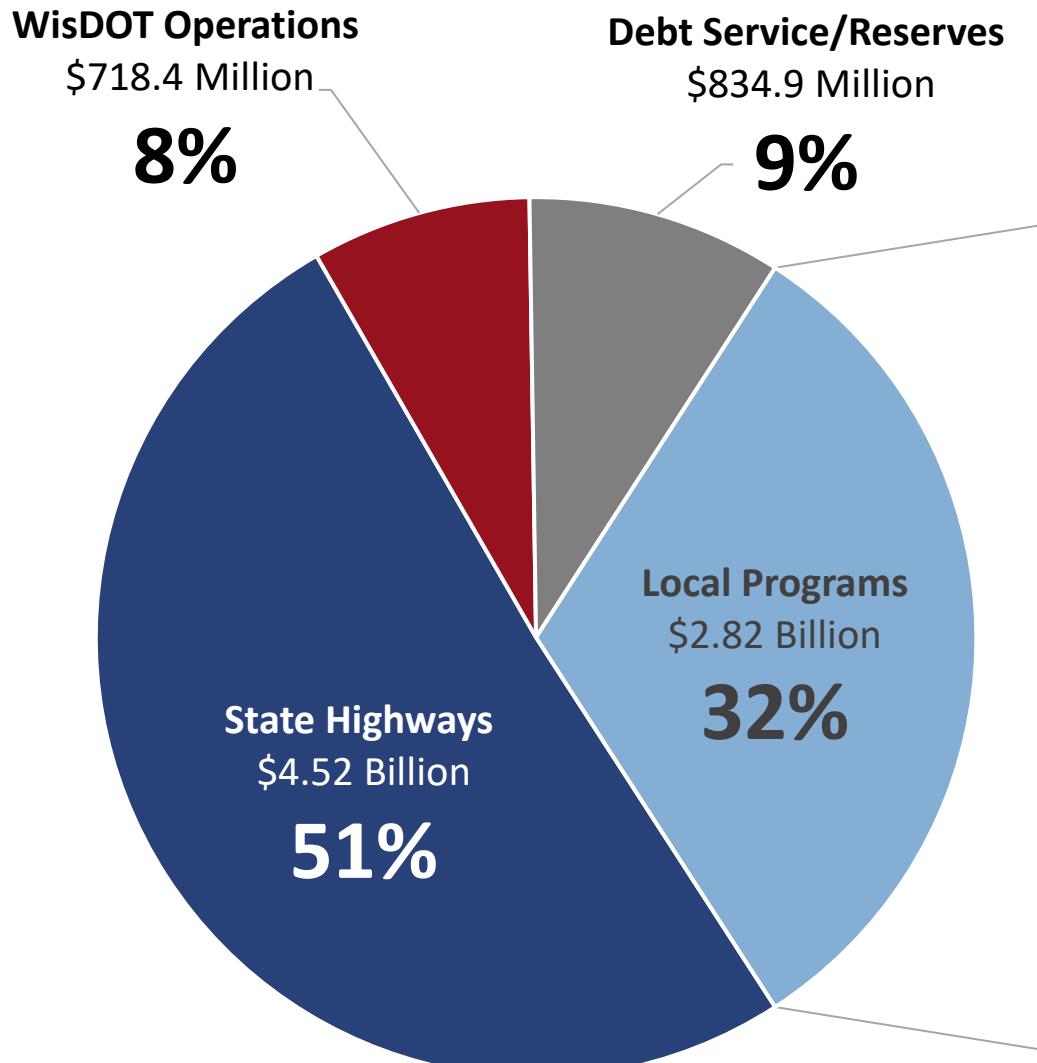


State Highway Detail

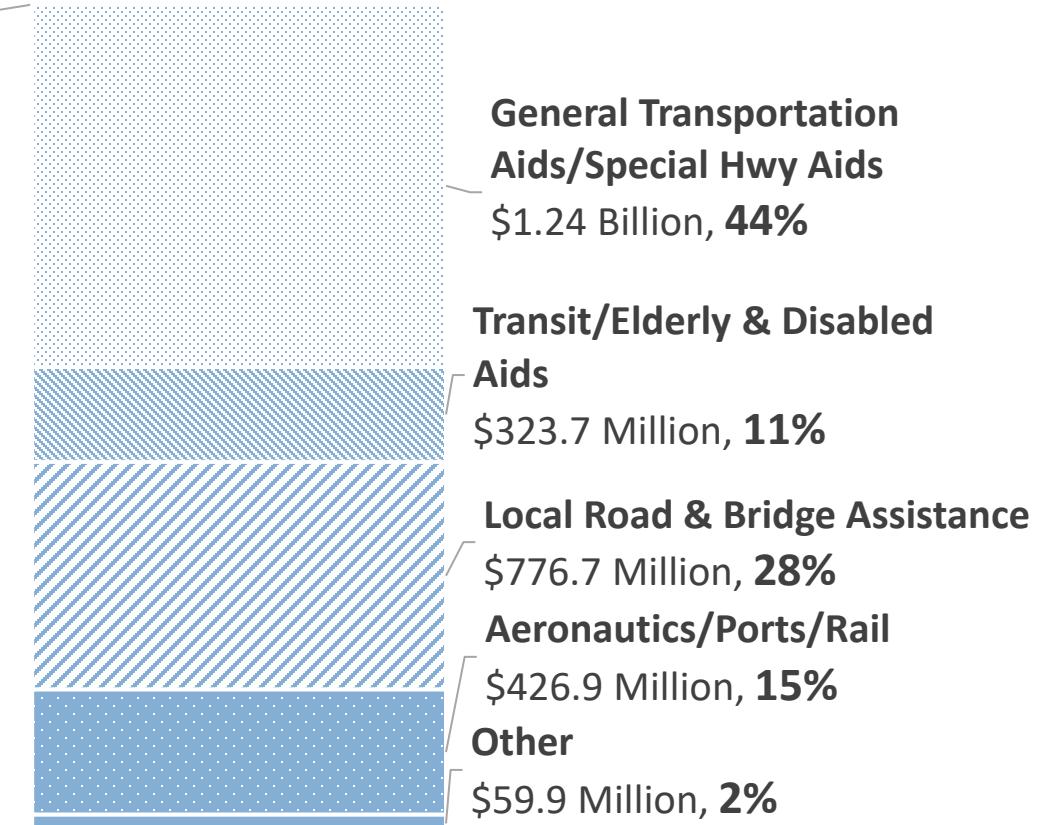


Where the Money Goes

Local Funding Split Between Capital & Operations

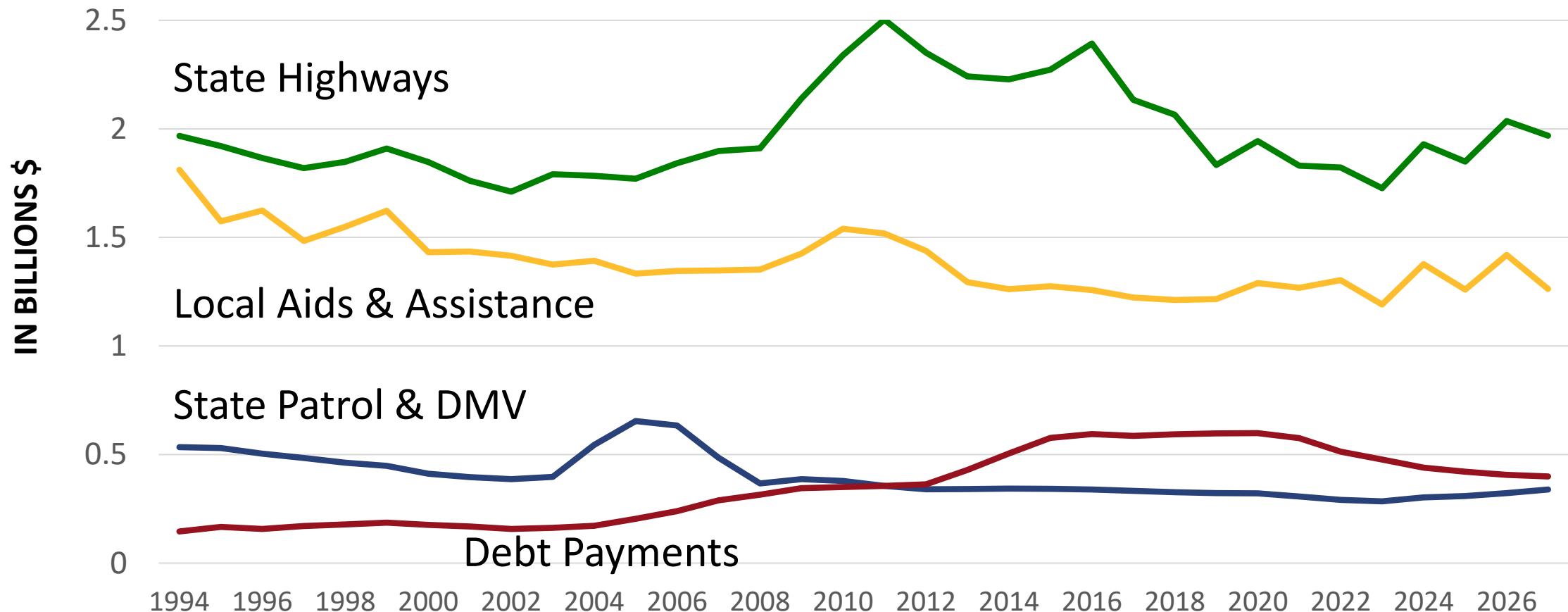


Local Program Detail



Where the Money Goes

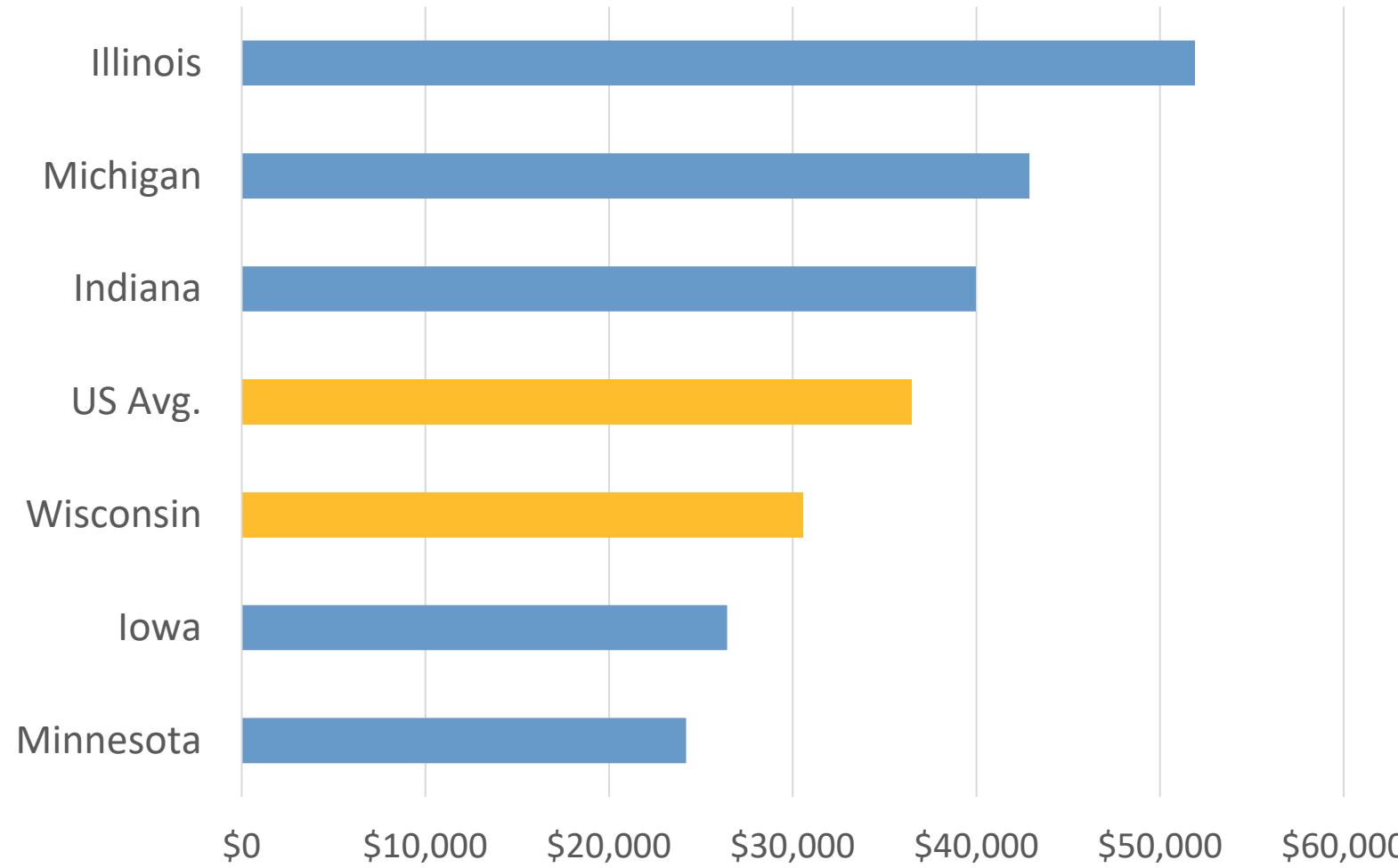
Current Highway and Local Spending Declines in Real Dollars



Spending by area, three-year rolling average, 1994 to 2027, inflation adjusted to 2023 dollars using CPI.

Where the Money Goes

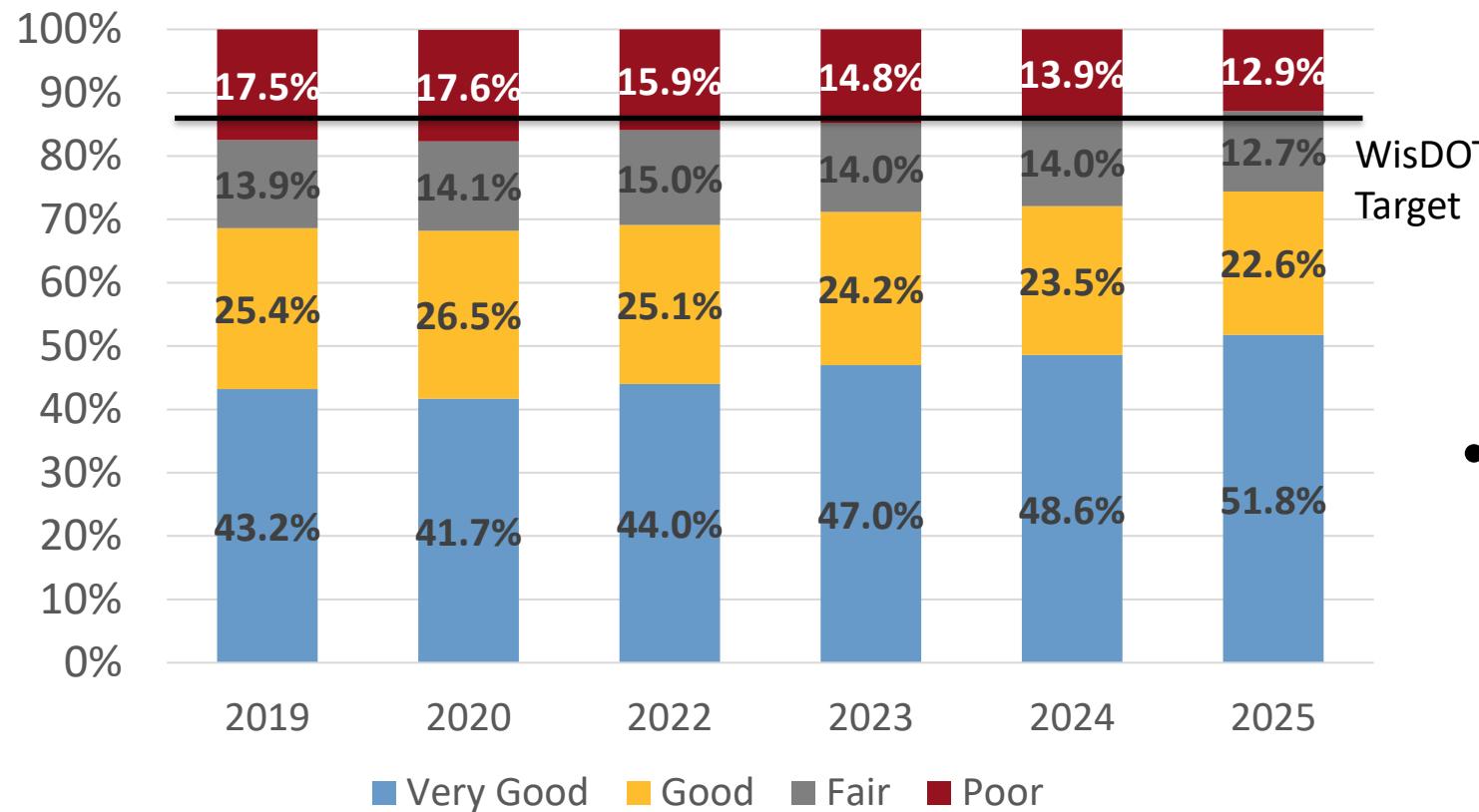
***Wisconsin's Highway Construction Costs Lower Than National Average,
Most Neighbors*** (In 2015 Constant Dollars)



System Conditions

System Conditions

Highway Conditions Stabilize, Unsustainable with Current Funding

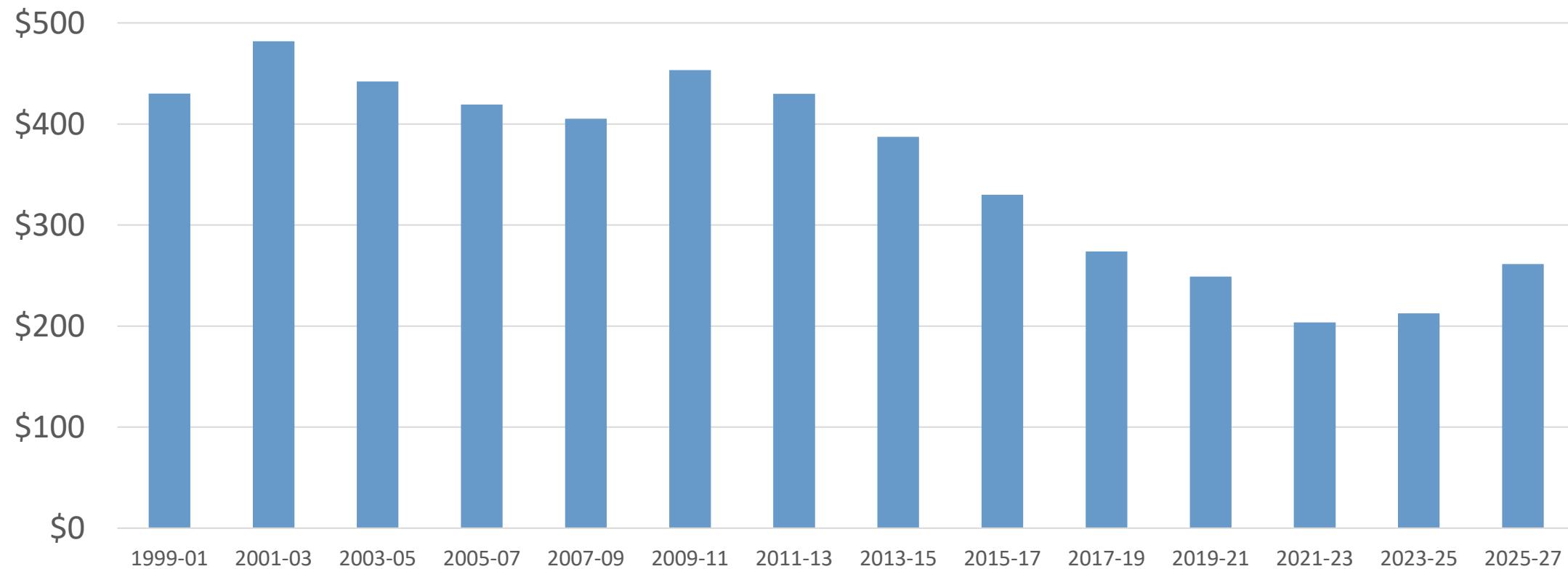


- Conditions stabilized with significant increases in State Highway Rehabilitation funding since the 2017-19 biennium.
- Without increasing SHR funding, WisDOT will not be able to maintain program purchasing power and conditions will decline.

System Conditions

Real Major Highway Funding Lower Than 25 Years Ago

IN MILLIONS, 2000 \$s using Wis. Construction Cost Index



System Conditions

I-94 East-West Next SE Project

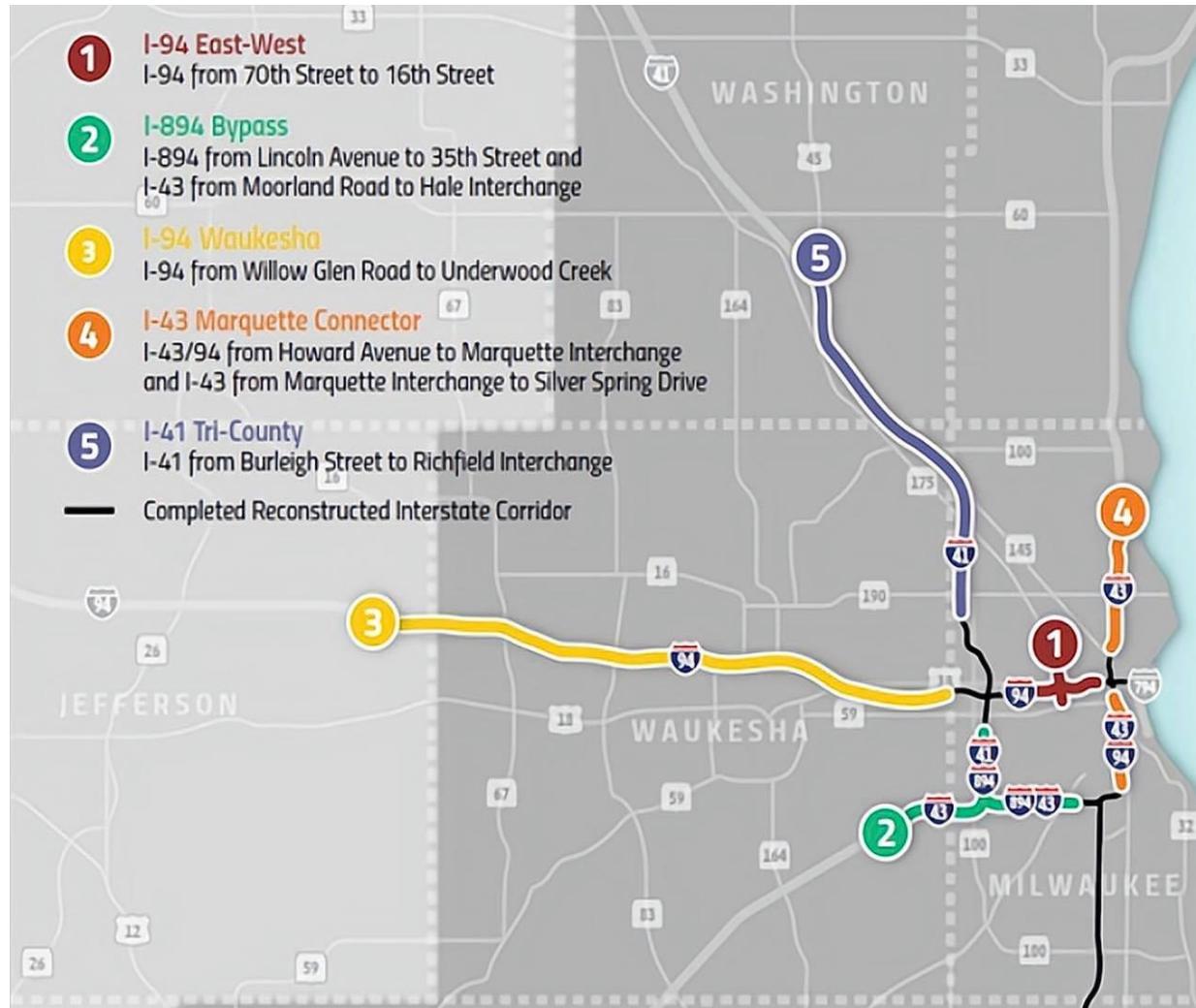
- 60-year-old roadway links updated Zoo and Marquette interchanges
- 27% of jobs and 35% of businesses in the 7-county region are within five miles of the Stadium Interchange
- Project addresses all the corridor's known issues, specifically severe congestion and related safety challenges



- ✓ Construction started on the \$1.76 billion (year of expenditure \$s) project in late 2025
- ✓ Average of about \$400 million per biennium will be needed over the next 3 budgets, \$200 million+ in SFY 2032
- ✓ Any delay will add millions to the cost (\$700 million+ since 2017 turnback of ROD)

System Conditions

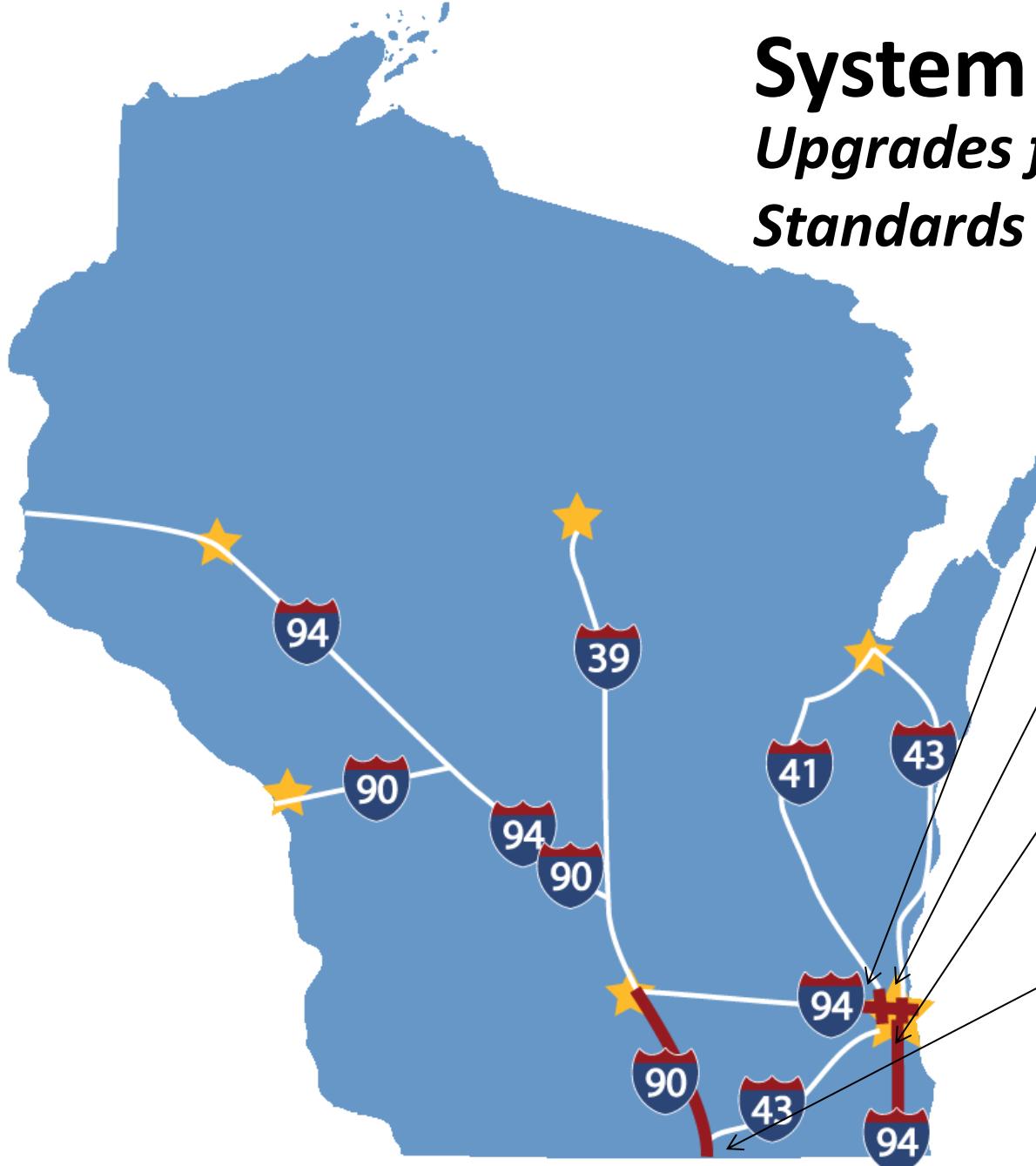
Wisconsin Needs a Plan to Reconstruct Key SE Corridors



WisDOT is also evaluating alternatives to reconstruct the I-794 freeway corridor (Lake Interchange), between the Milwaukee River and Hoan Bridge.

System Conditions

Upgrades for Current Economy and Design Standards Result in Significant Crash Reductions



Zoo Interchange 29%

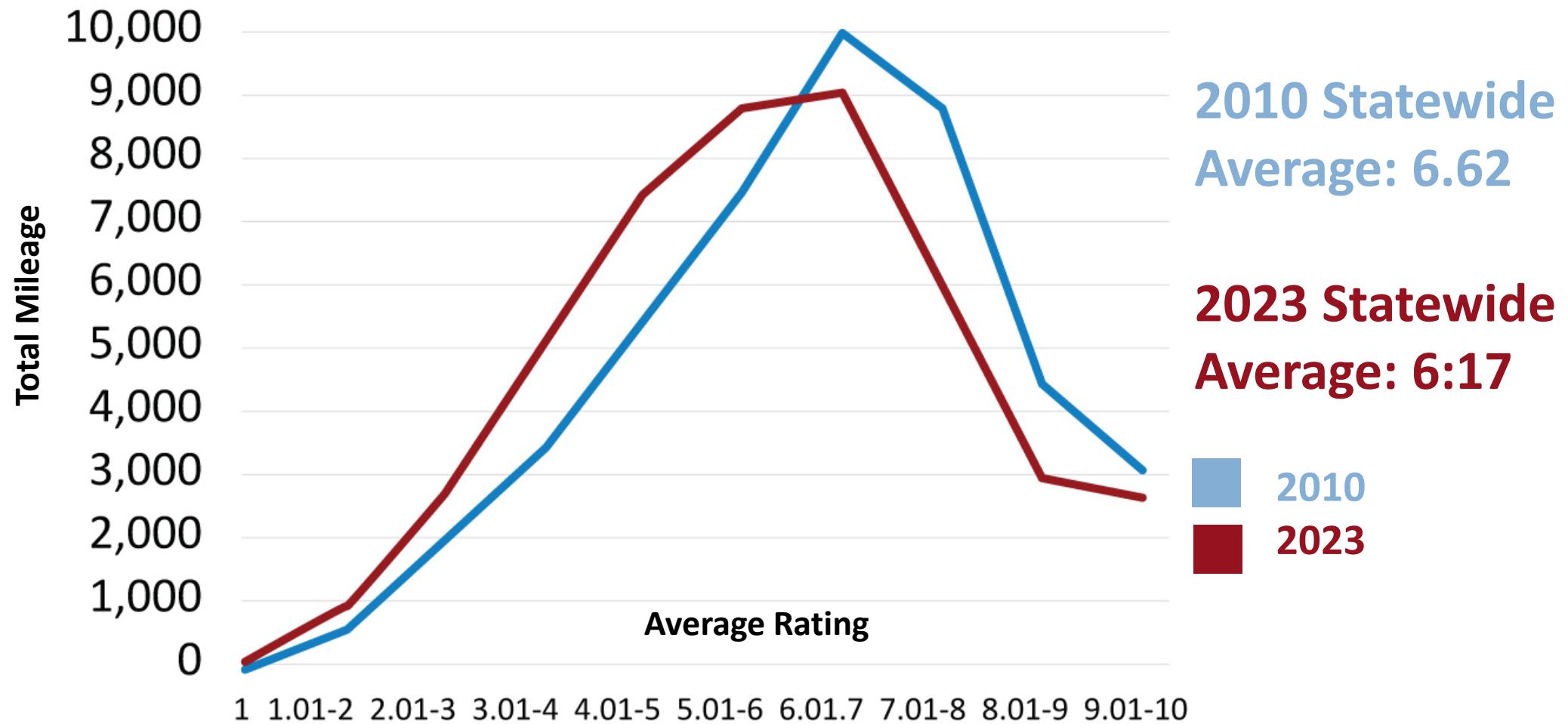
Marquette Interchange 48%

I-94 N-S 34%

I-39/90 27%

System Conditions

Local Road Conditions Reflect Decades of Disinvestment



**2010 Statewide
Average: 6.62**

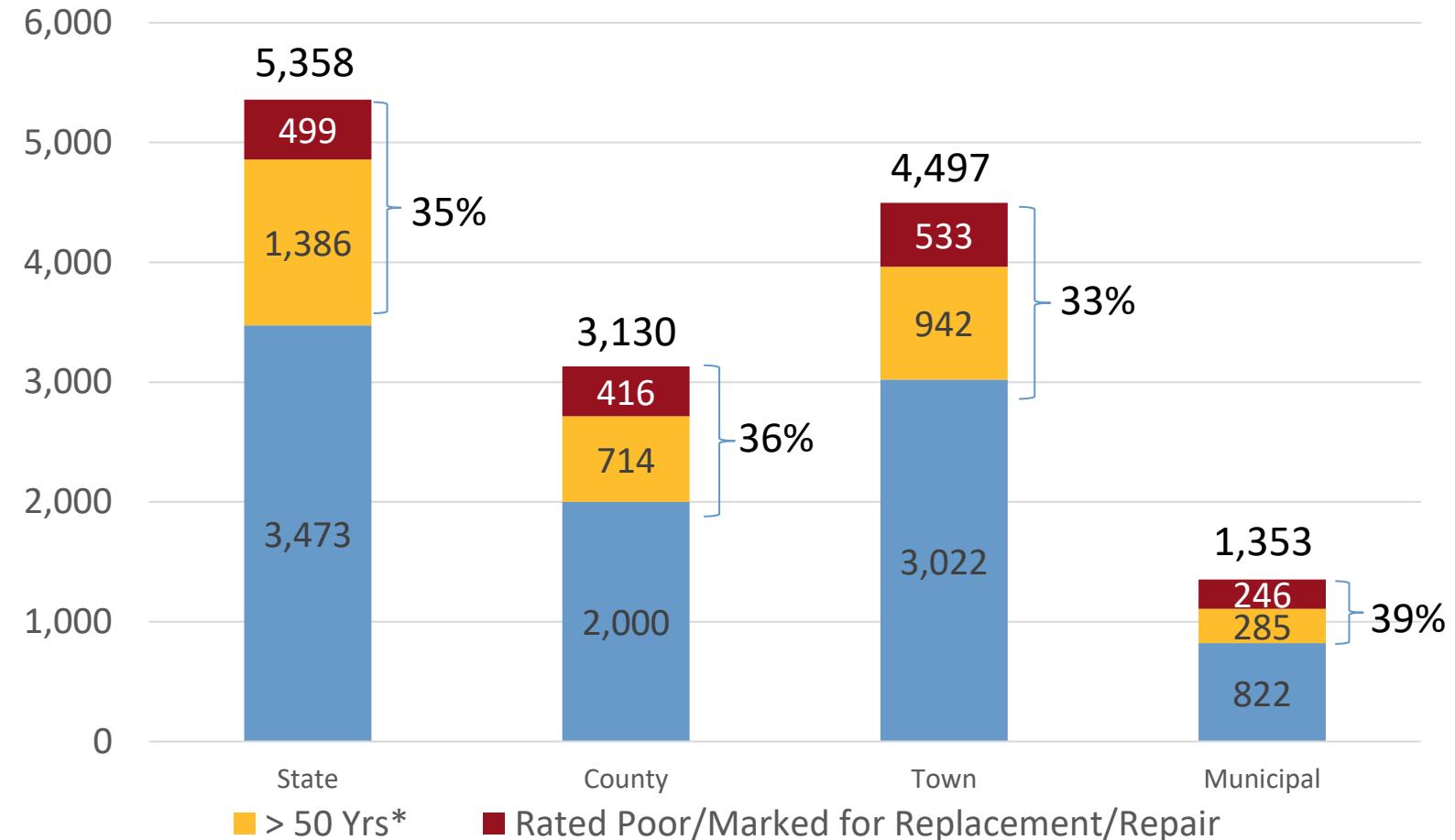
**2023 Statewide
Average: 6.17**

2010
2023

System Conditions

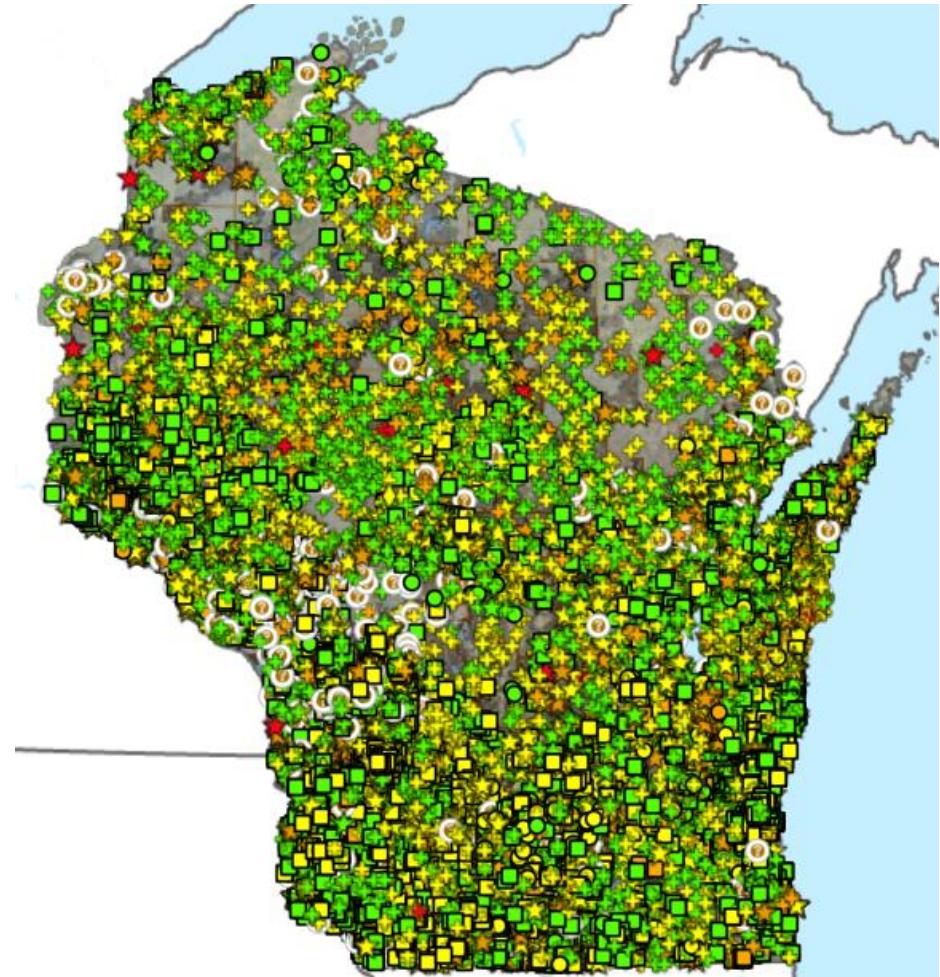
One in Three Bridges Deficient, Marked for Replacement, > 50 Years Old

- WI has identified 1,744 bridge replacements/repairs (includes those rated poor), **estimated cost of \$2 billion**.
- Many other bridges are over 50 years old.
- 468 weight-posted bridges, about 90% on local systems.

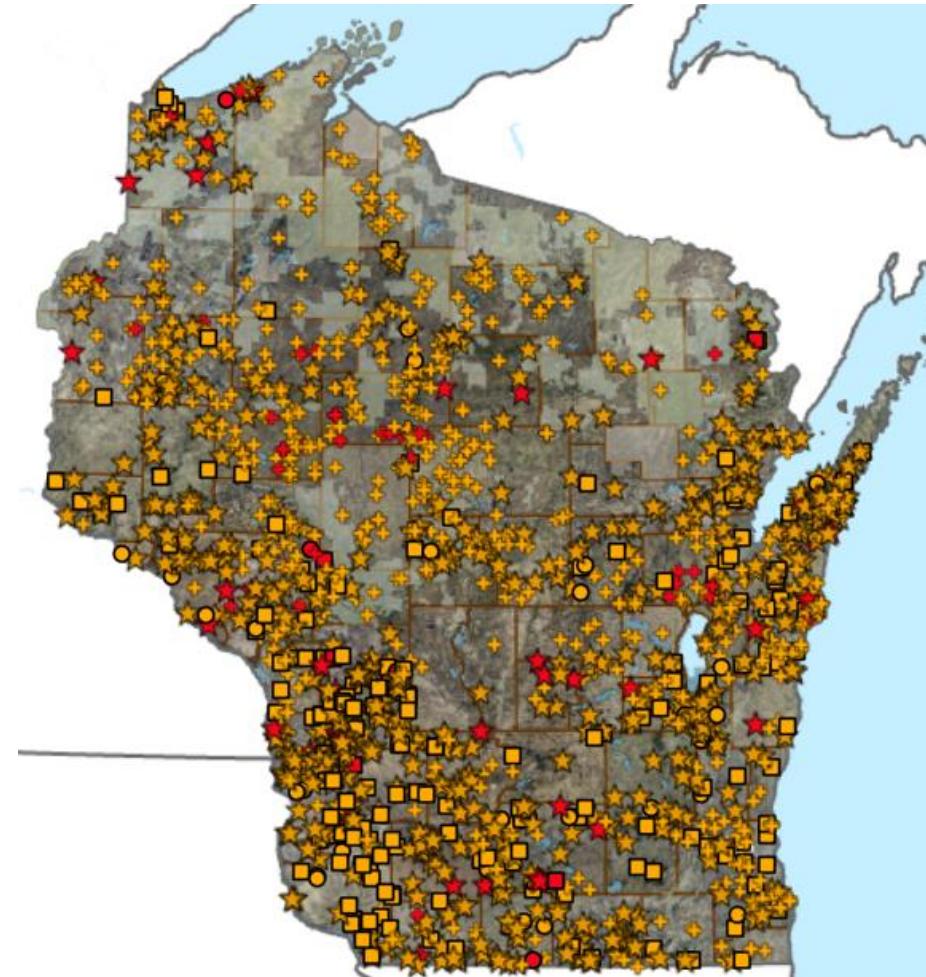


System Conditions

Small Bridges (6-20'): The Progress We've Made, The Work to Do



Nearly 17,000 Structures Inventoryed



1,600+ Poor/Severe Structures

Revenue Options

Revenue Options

Neighbors Have More & Growing User Fee Options

State	Fuel Tax	Fuel Sales Tax (1)	Fuel Tax Indexing	Vehicle Reg. Fee	New Vehicle Fee	Bonding	Toll Roads/Bridges	Delivery Fees	General Funds
Illinois	X	X (2)	X	X		X	X		X
Indiana	X	X	X	X		X	X		X
Iowa	X			X	X (4)				
Michigan	X	X (3)	X	X		X	X		X
Minnesota	X		X	X	X (5)	X	X	X	X
Wisconsin	X			X		X			X

(1) A cents-per-gallon equivalent.

(2) Starting 6/1/2026, Illinois will use the sales tax on gas to help fund public transit.

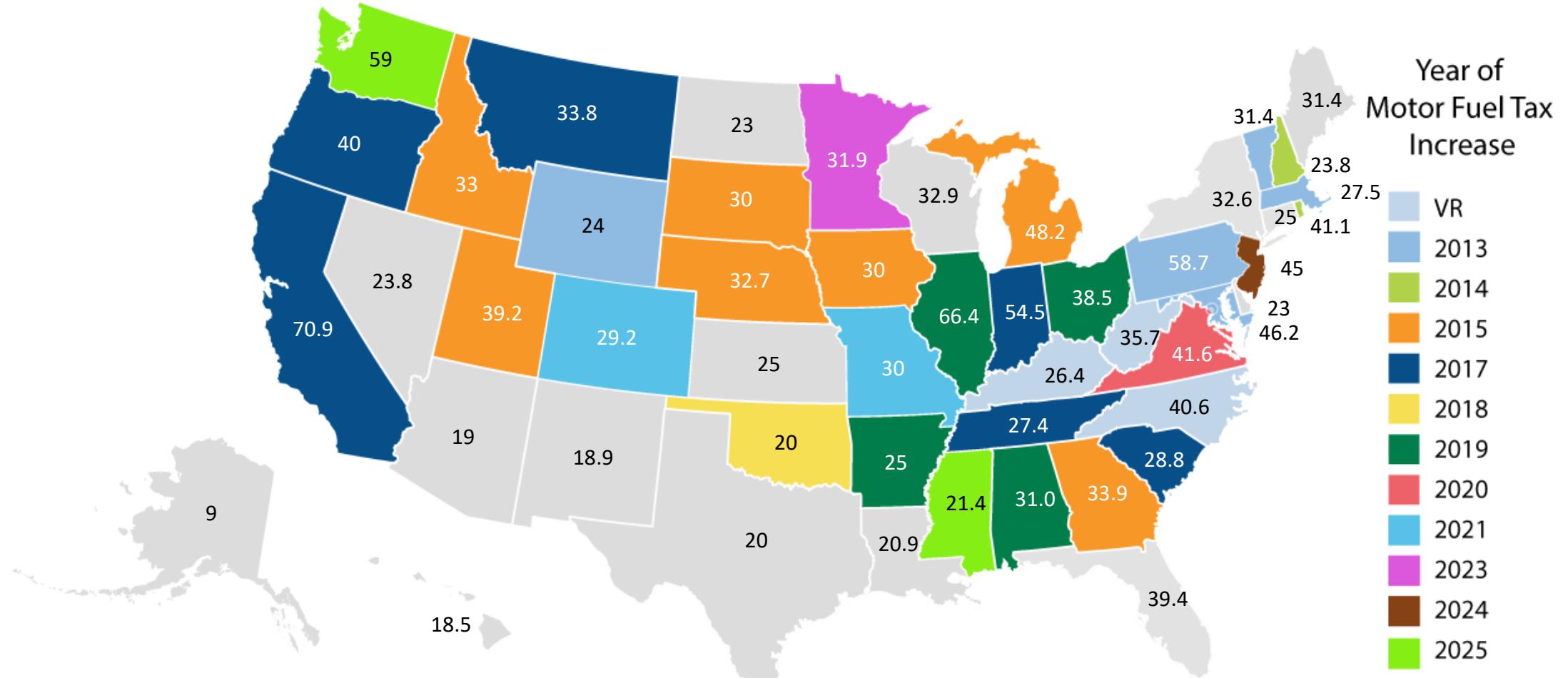
(3) Effective 1/1/2026 Michigan's 6% sales tax on gas becomes a 20- cent increase to the excise tax.

(4) There is no sales tax on auto purchases, but a 5% new car reg. fee.

(5) Sales tax on auto sales goes toward transportation.

Revenue Options

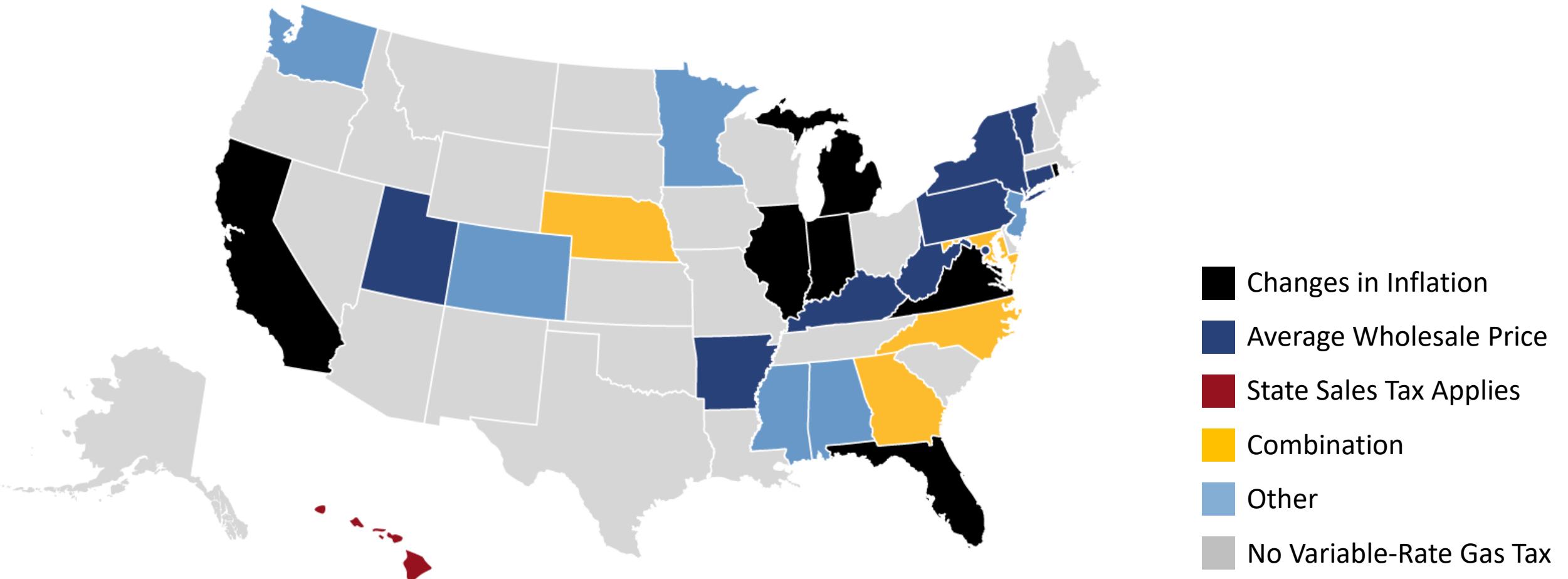
35 States Legislatively Adjust State Motor Fuel Taxes 2013 - 2025



Includes all fees on gas, including some that do not go to transportation, as of July 1, 2025.

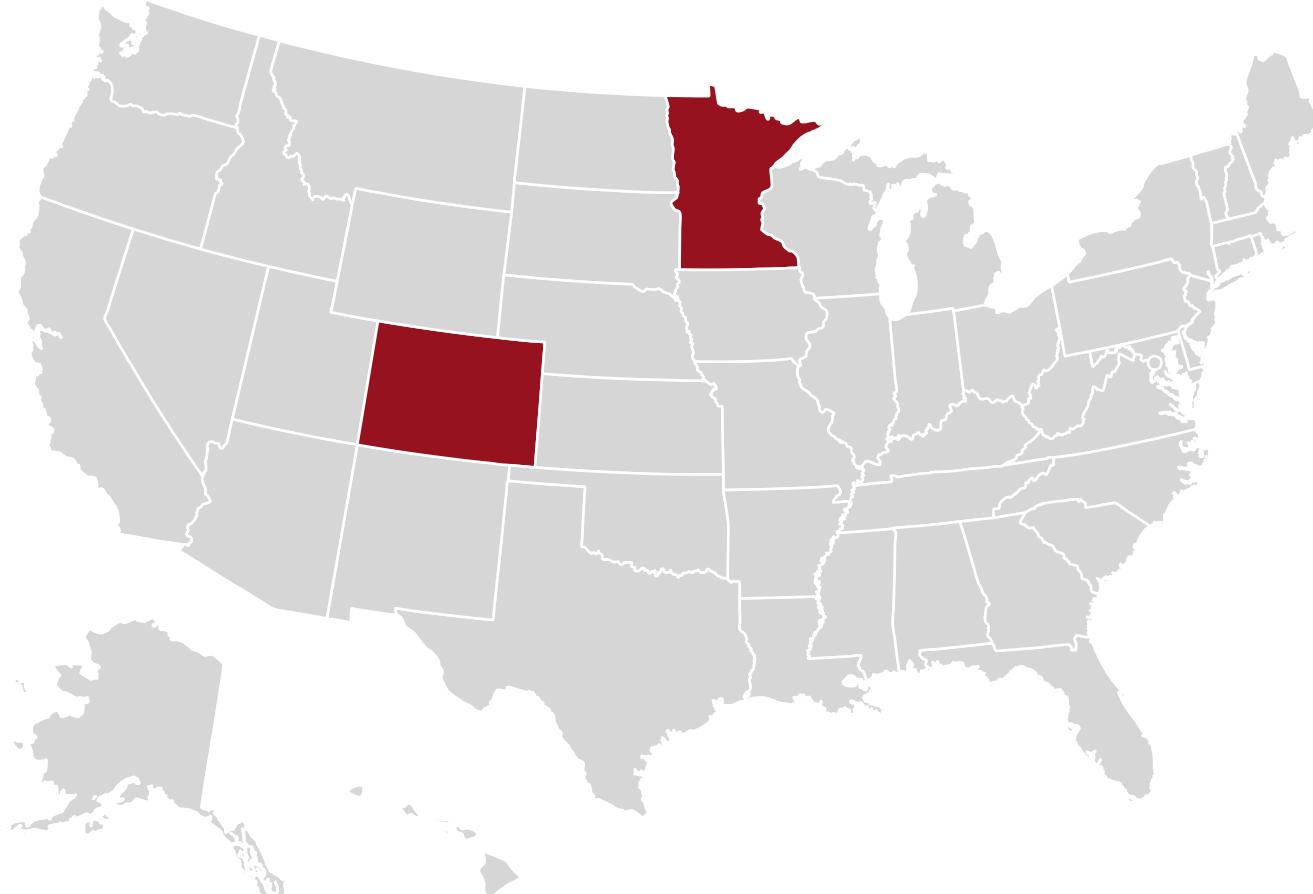
Revenue Options

26 States & DC Use Variable-Rate State Gas Taxes



Revenue Options

Two States Have Enacted a Retail Delivery Fee



Taxes or fees on retail deliveries ensure delivery vehicles, which are often heavier, make frequent trips, and put additional wear and tear on roads and bridges, contribute to infrastructure maintenance and improvements

Colorado: 2021

A flat \$0.29 (current rate) on certain deliveries with at least one item of tangible personal property subject to state sales or use tax, adjusts annually based on inflation.

Collected Revenue: \$84.9 million in FY 2023-2024.

Minnesota: 2023

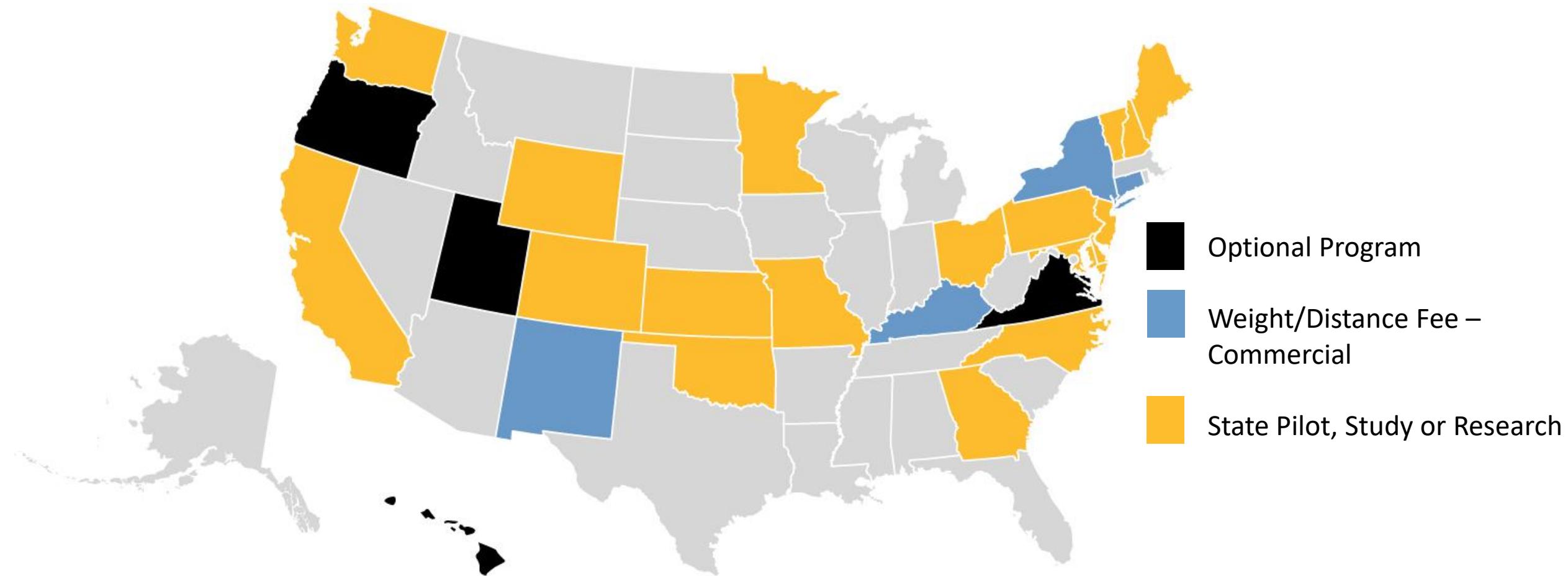
A flat \$0.50 fee on select retail sales transactions over \$100, collected by the retailer.

Expected Revenue: \$65.3 million in Fiscal Year 2027

Revenue Options

Four State Have Active Road User Charge Programs

Other states have studied charging by vehicle miles traveled.



Conclusion

Conclusion

2027-29 Shortfall Over \$1 Billion

Infrastructure Targets (in Millions \$):

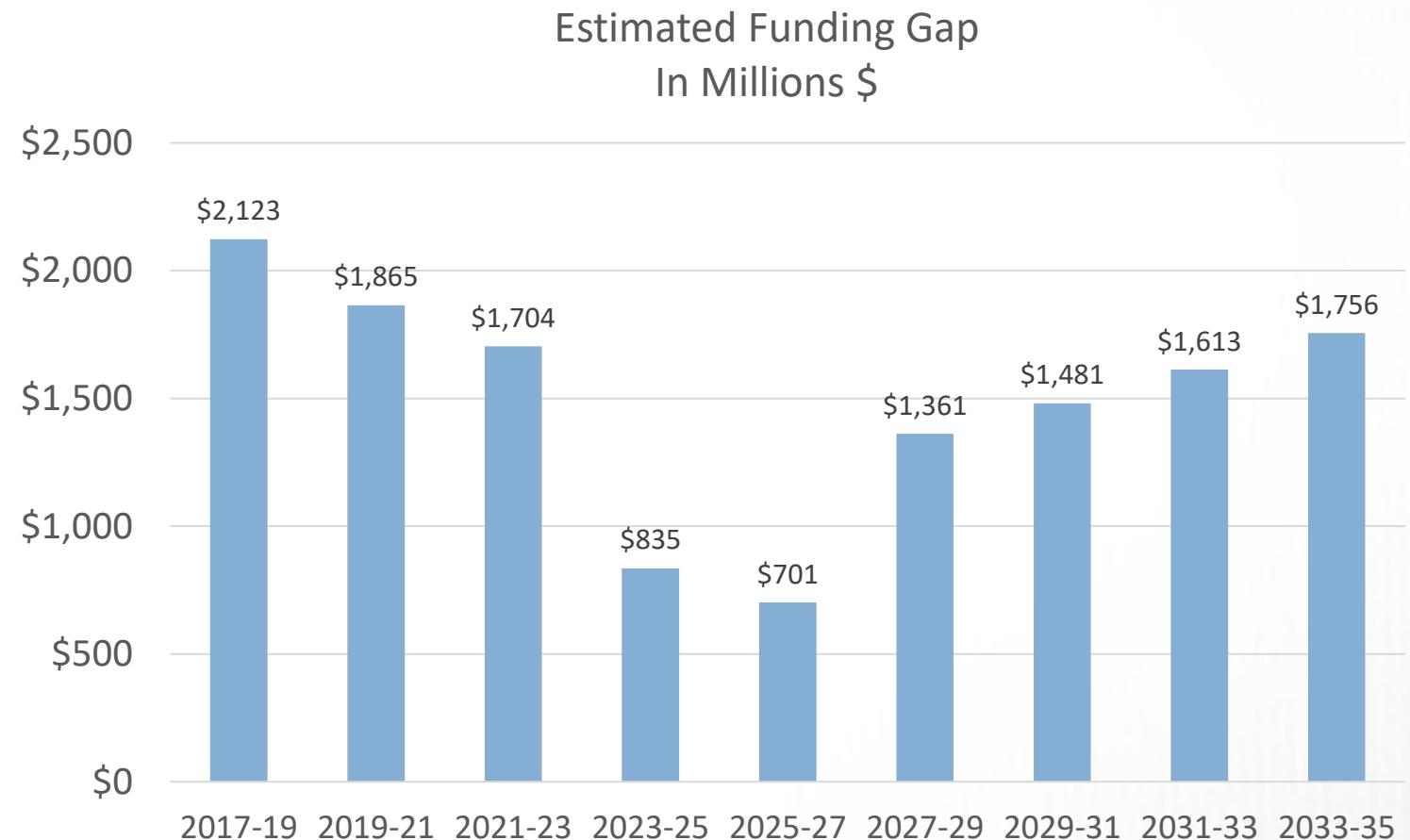
Highway Capital Improvement Projects	2027-2029
I-41	\$209
US 51 Stoughton to McFarland	47
I-39/90/94 to the Dells	500
US-51 US 12 to WIS 19	12
I-94 East-West	499
Total	\$1,267

Amount Over Base Funding (excluding bonding)	\$560 Million
Local Capital Assistance (LRIP-S & ARIP)	\$250 Million
One-Time GPR Less One-Time Uses Including LRIP/ARIP	\$295 Million
Maintain SHR & Other Program Purchasing Power	\$200 Million+
Estimated Shortfall:	\$1.3 Billion+

Conclusion

Without Long-Term Fixes, Structural Shortfalls Return and Grow

- \$1 billion/year shortfall was well-documented by multiple reports, but it doesn't reflect all Wisconsin's evolving needs.
- Wisconsin made progress in the 2019-21, 2023-25, & 2025-27 budgets, but fixed flat fees and one-time funding don't keep up with inflation and structural deficits.
- An influx of funds from the federal infrastructure law helped but didn't solve the long-term Trust Fund challenges. Surface reauthorization expires in 2026, with ongoing funding uncertain.



Conclusion

It's Time to Evaluate the Options

