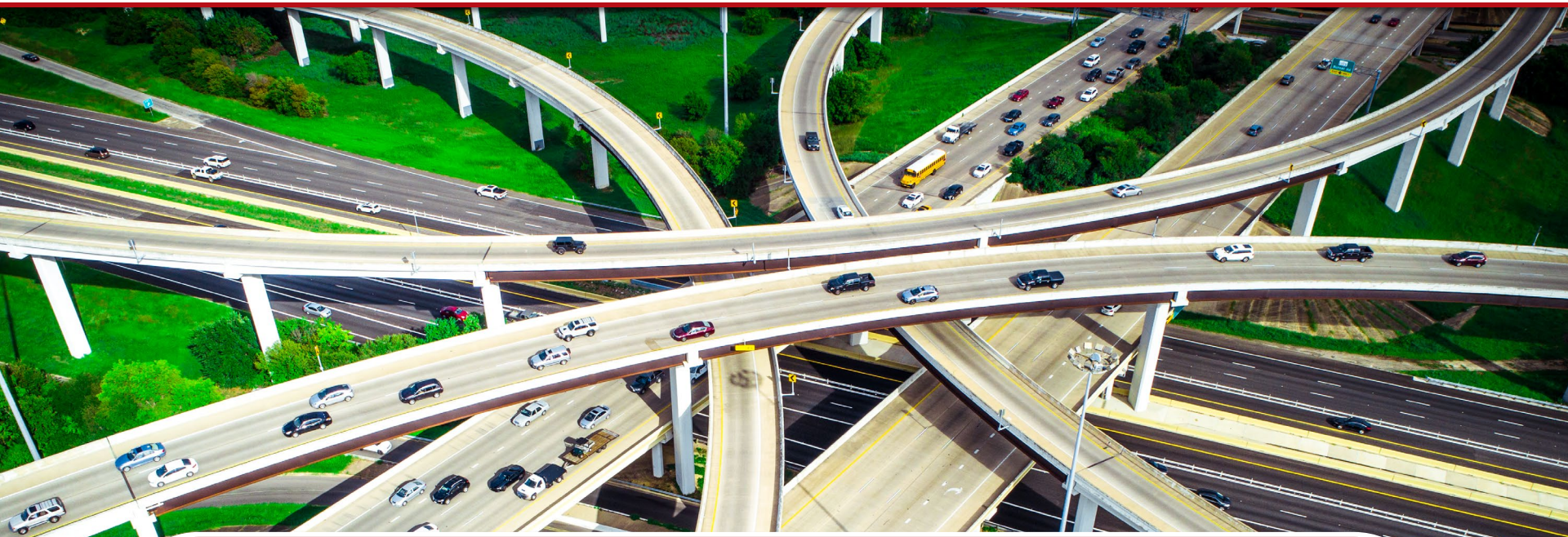
Transportation Investment Advocacy Center
American Road & Transportation Builders Association

American Road & Transportation Builders Association



State & Local Funding Update

Carolyn Kramer Simons
Senior Director, State Funding Policy
ARTBA-TIAC

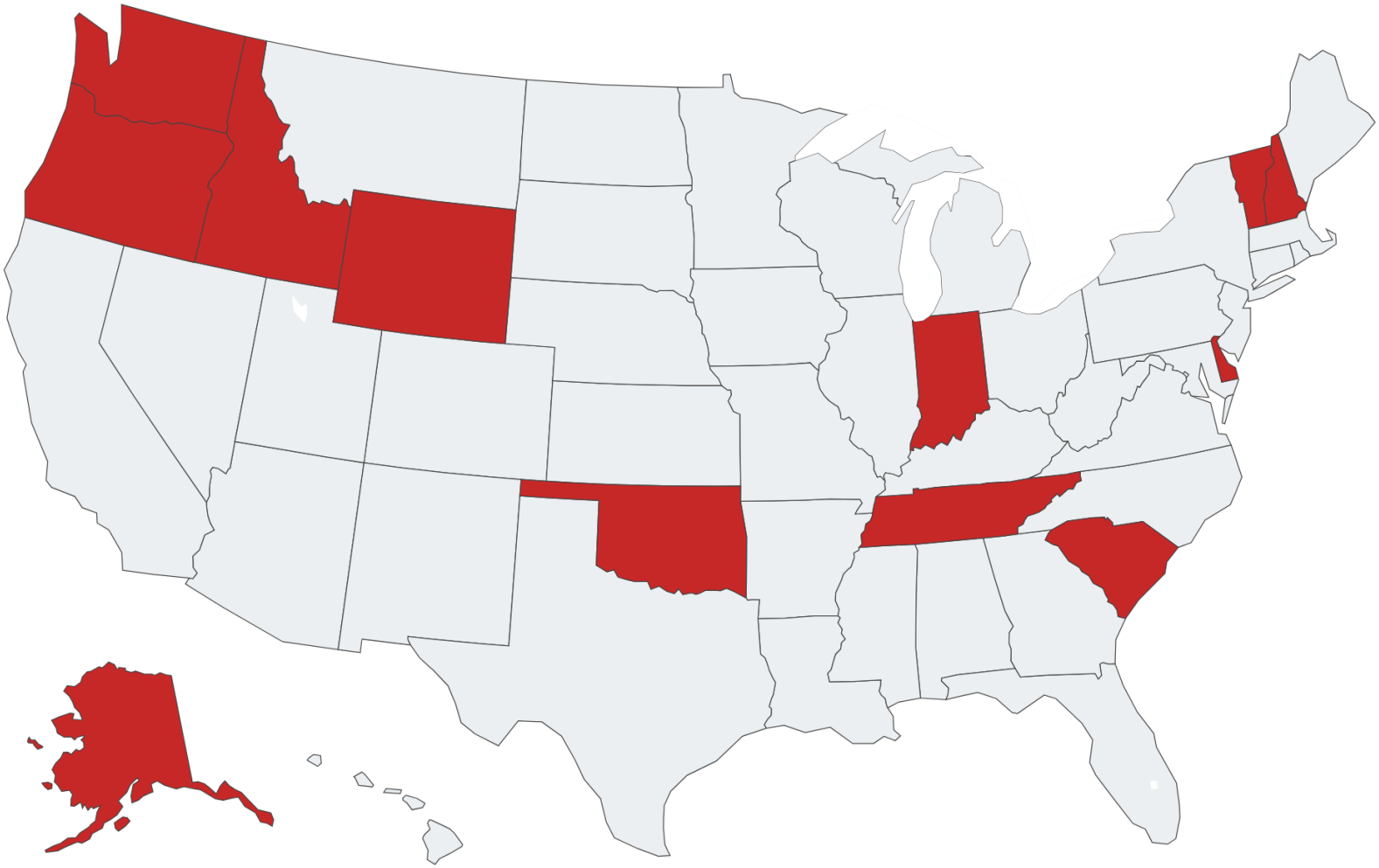
TDA Wisconsin Fly-In
March 4, 2026

transportationinvestment.org

Transportation
Investment
Advocacy Center

American Road & Transportation Builders Association

2026: Transportation Revenue Concerns



Documented Concerns

Source: ARTBA's Transportation Investment Advocacy Center February 2026 *State Funding Initiatives Report*.

TIAC Transportation Investment Advocacy Center American Road & Transportation Builders Association
ARTBA American Road & Transportation Builders Association

What impacts transportation revenue?

RISING ADOPTION OF ELECTRIC AND HYBRID ELECTRIC VEHICLES.

INCREASING FUEL EFFICIENCY.

RISING CONSTRUCTION COSTS.

EROSION OF FLAT TAX BUYING POWER.

2026 Trend Predictions

"Cleaning up" related taxes and fees

Diversifying revenue streams

Long-term recurring revenue

Electric vehicle-related taxes and fees

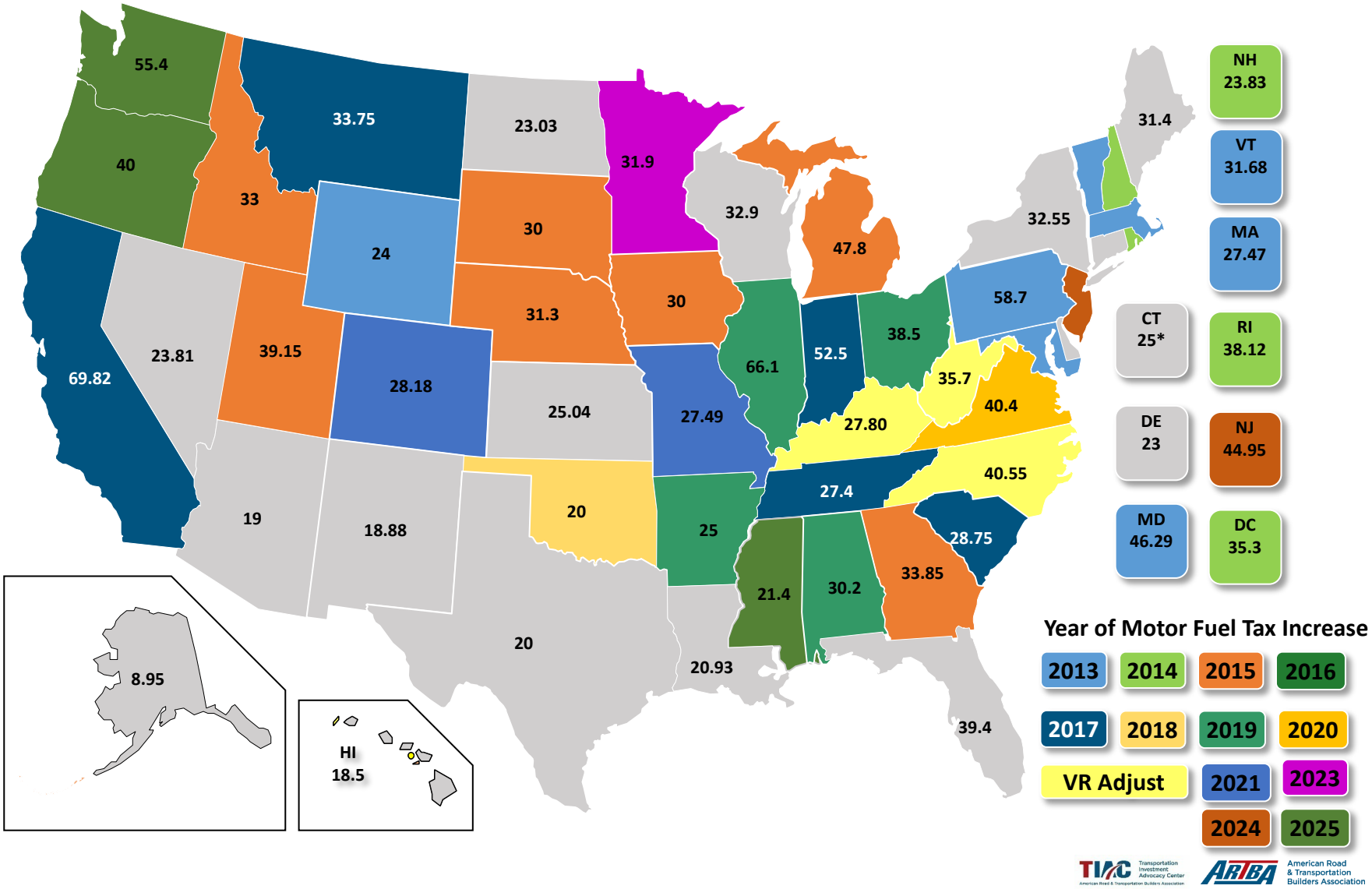
Recurring Revenues

- Motor Fuel Taxes
- Electric Vehicle Fees
- Registration Fees
- Road Usage Charge
- Tolling
- One-Time Funding

Others: TNC Fees; Retail Delivery Fees; Local/Regional Taxes; Vehicle Sales Taxes; Taxes on Vehicle Parts or Services; Fuel-Efficiency Fees (HUF)

TIAC Transportation Investment Advocacy Center American Road & Transportation Builders Association
ARTBA American Road & Transportation Builders Association

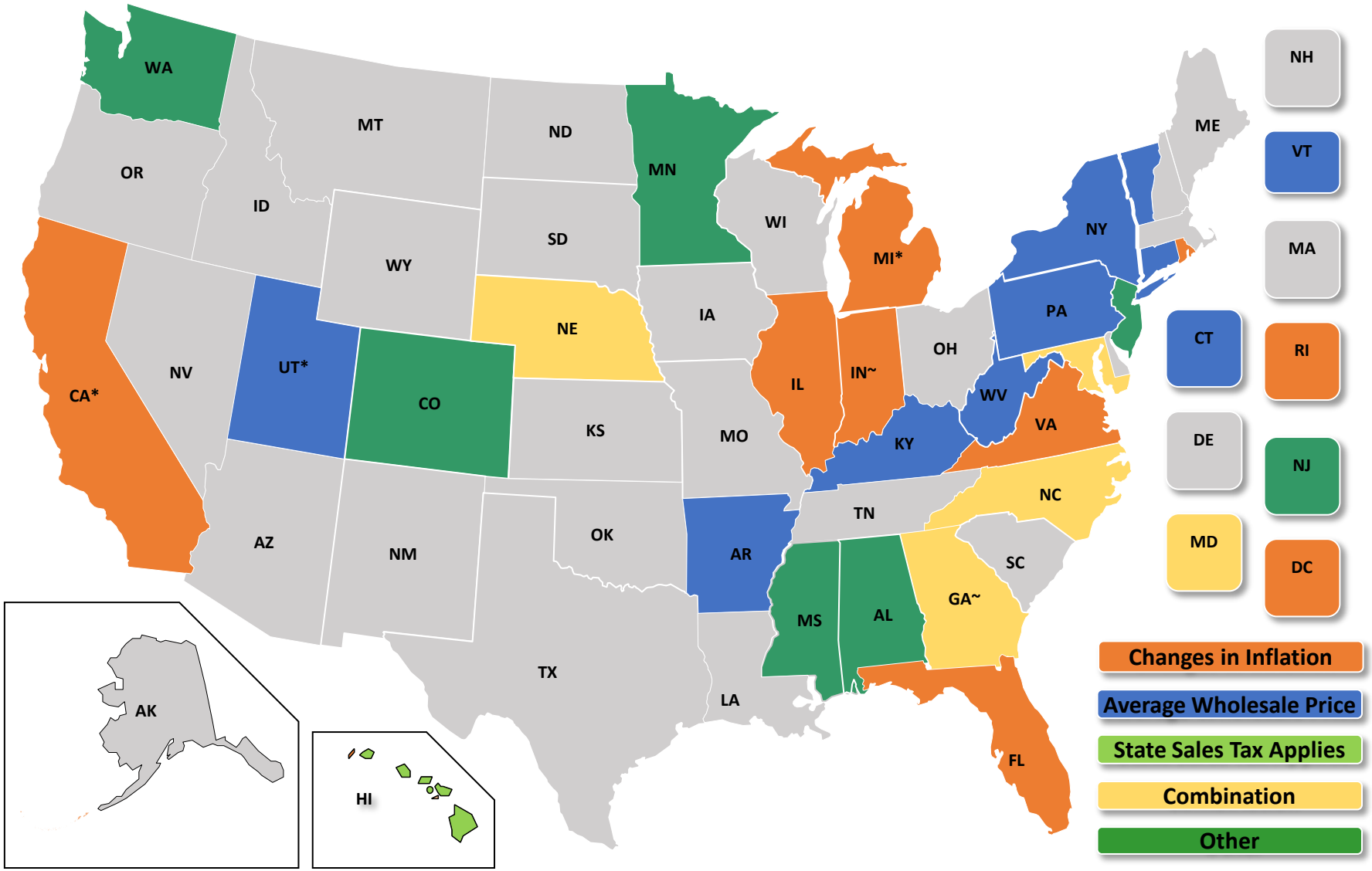
35 States Approved/Adjusted State Motor Fuel Tax Increases 2013-2025



TIAC Transportation Investment Advocacy Center
American Road & Transportation Builders Association

ARTBA American Road & Transportation Builders Association

26 States + DC Use Variable-Rate State Gas Taxes



Source: *TIAC, "Variable-Rate State Gas Taxes," Feb. 2020*

Variable-Rate State Gas Taxes - Types

CONSUMER PRICE INDEX

(10 STATES)

AVERAGE WHOLESALE PRICE OF FUEL

(10 STATES + DC)

MEETING STATE'S TRANSPORTATION FUND NEEDS

(2 STATES)

CHANGES IN POPULATION

(1 STATE)

CORPORATE AVERAGE FUEL ECONOMY

(1 STATE)

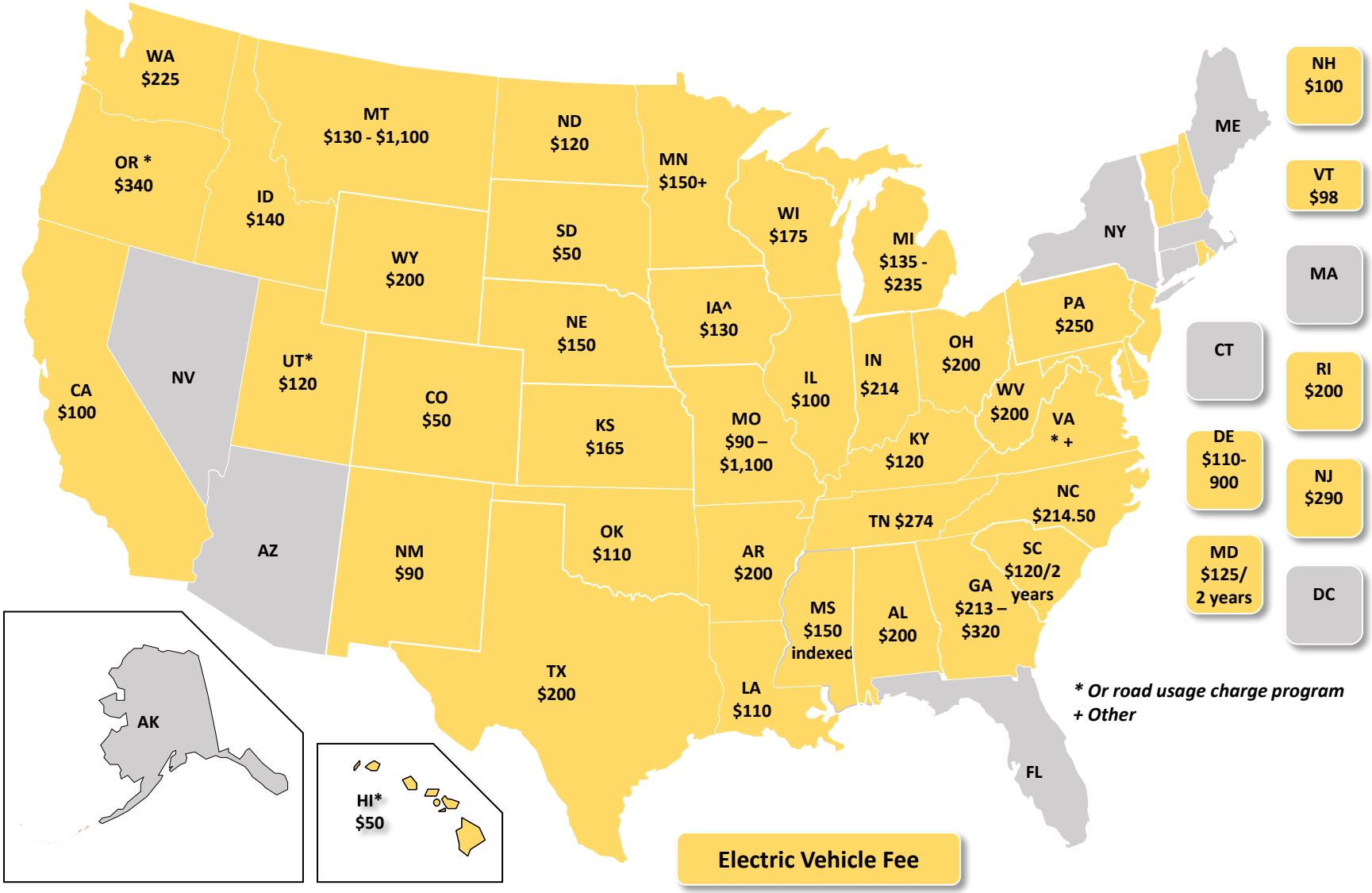
NATIONAL/LOCAL HIGHWAY CONSTRUCTION COST INDEX (4 STATES)

GENERAL SALES TAX ON FUEL PURCHASES

(4 STATES)

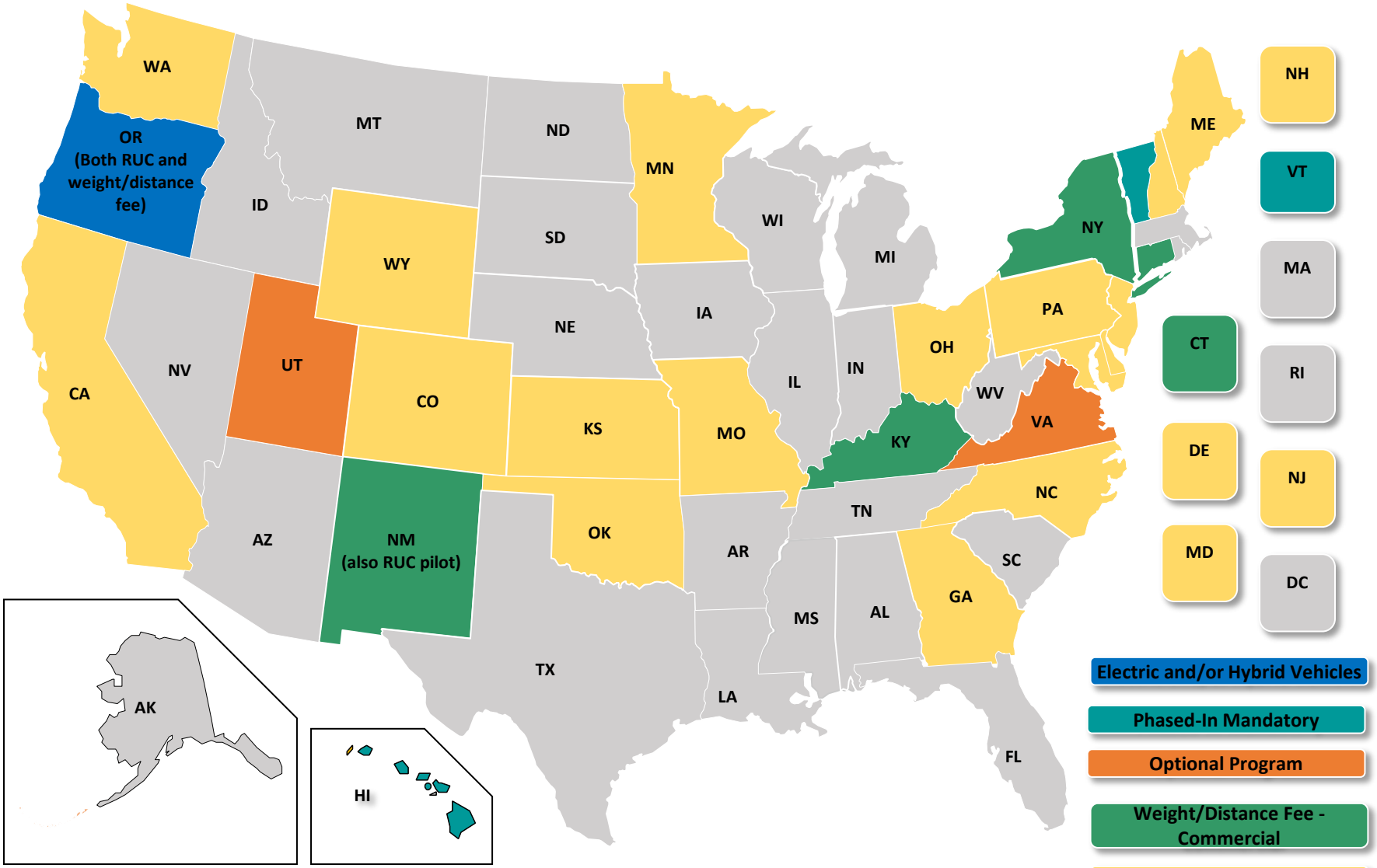
TIAC Transportation Investment Advocacy Center American Road & Transportation Builders Association
ARTBA American Road & Transportation Builders Association

42 States Have an Electric Vehicle Registration Fee



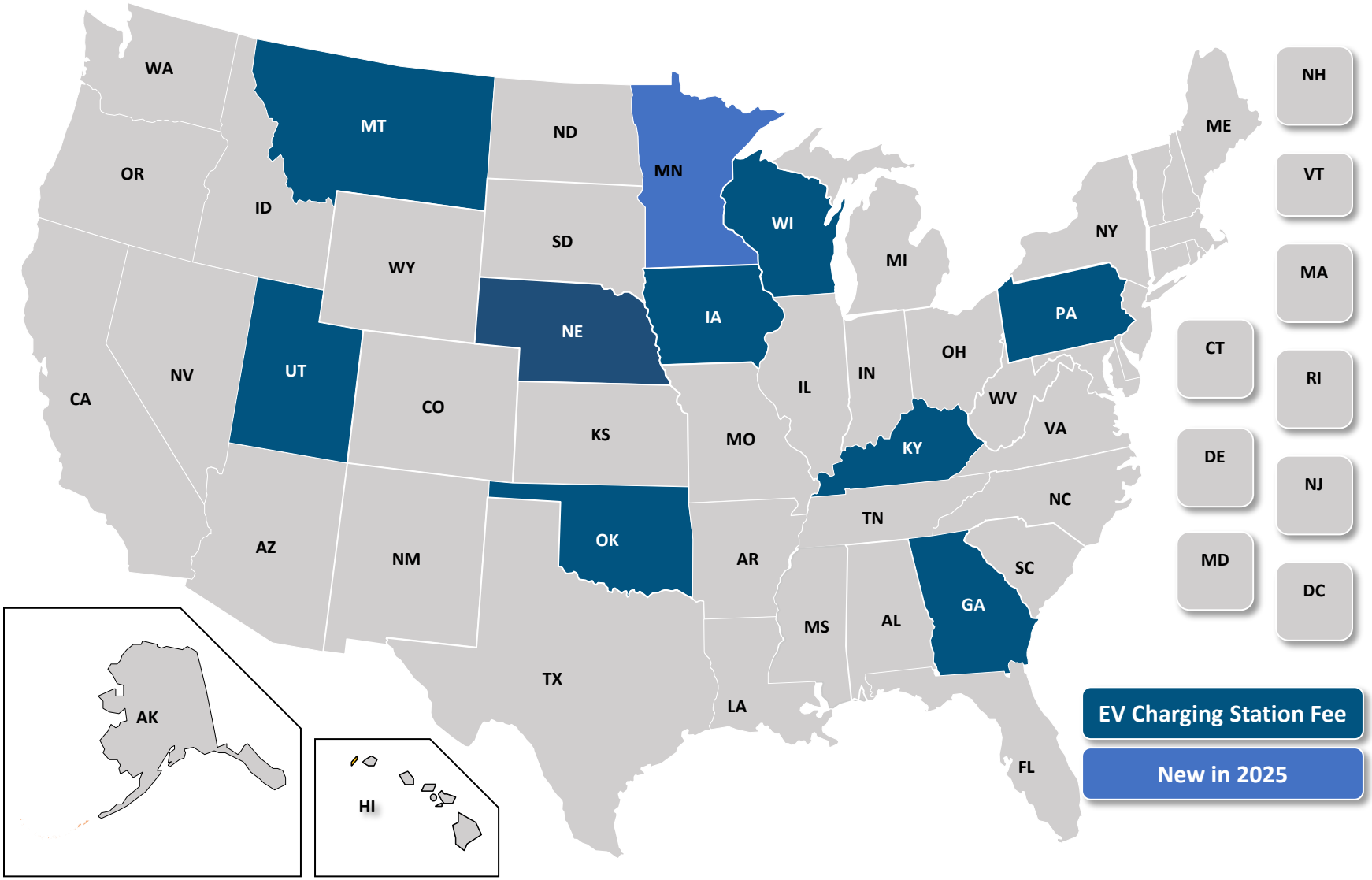
Source: *TIAC, "State Electric Vehicle Fees," March 2026*

4 States Have a Road Usage Charge Program



Source: *TIAC, "ROAD USAGE CHARGE MODEL LANGUAGE," July 2022 | Eastern Transportation Coalition "Compendium of Revenue Alternatives in Response to the Expansion of Hybrid and Electric Vehicles," 2024 | ARTBA-TIAC State Transportation Funding Legislation, Sept. 2025*

10 States Have Enacted an EV Charging Station Tax or Fee



Source: *TIAC, "ELECTRIC VEHICLE EXCISE TAX MODEL LANGUAGE," April 2024*

Virginia's Fuel-Efficient Vehicle Fee (HUF)

Highway Use Fee = [(11,600 average miles traveled * fuels tax rate) / 23.7) - (11,600 average miles traveled * fuels tax rate) / vehicle's MPG rating)] * .85

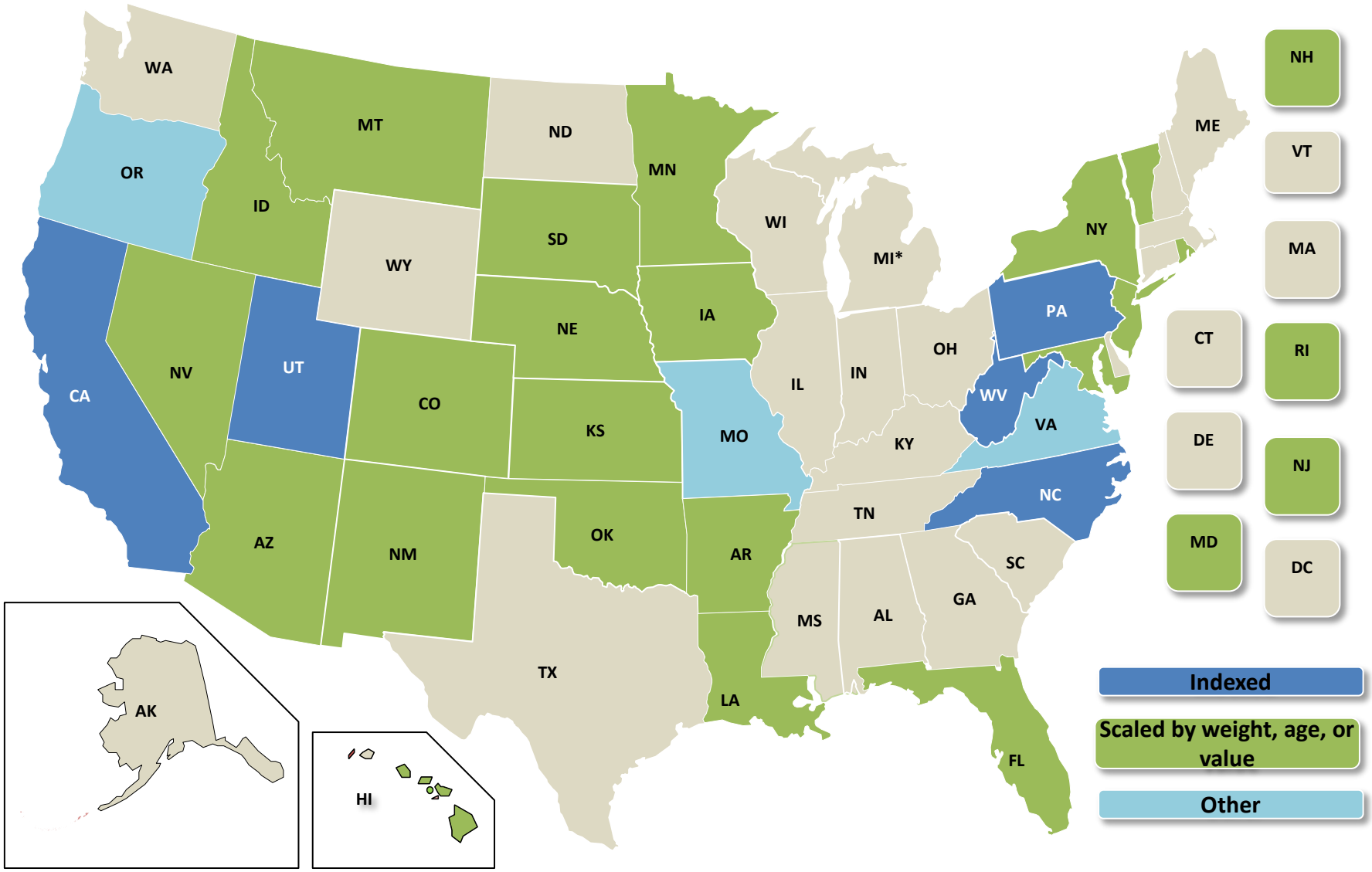
Who pays:

- Fuel-efficient vehicles (vehicle with a combined fuel economy of 25 miles per gallon [MPG] or greater).

- Vehicles produced in a year in which the average combined MPG rating for all vehicles produced in that year is 25 MPG or greater.

Source: *TIAC, "FUEL EFFICIENT VEHICLES: VIRGINIA'S HIGHWAY USE FEE," Feb. 2024*

5 States Have Variable-Rate Vehicle Registration Fees



Source: Transportation Governance and Finance A 50-State Review of State Legislatures and Departments of Transportation, Third Edition (2022). AASHTO.

Three-Part Funding Plans

SHORT TERM

Utilizes existing revenue streams

- Gas Tax
- Vehicle registration fees
- Electric vehicle registration fees

MID TERM

How to bridge the gap

- Highway Use Fee
- Variable-rate taxes/fees
- Weight/distance/value
- Sales taxes

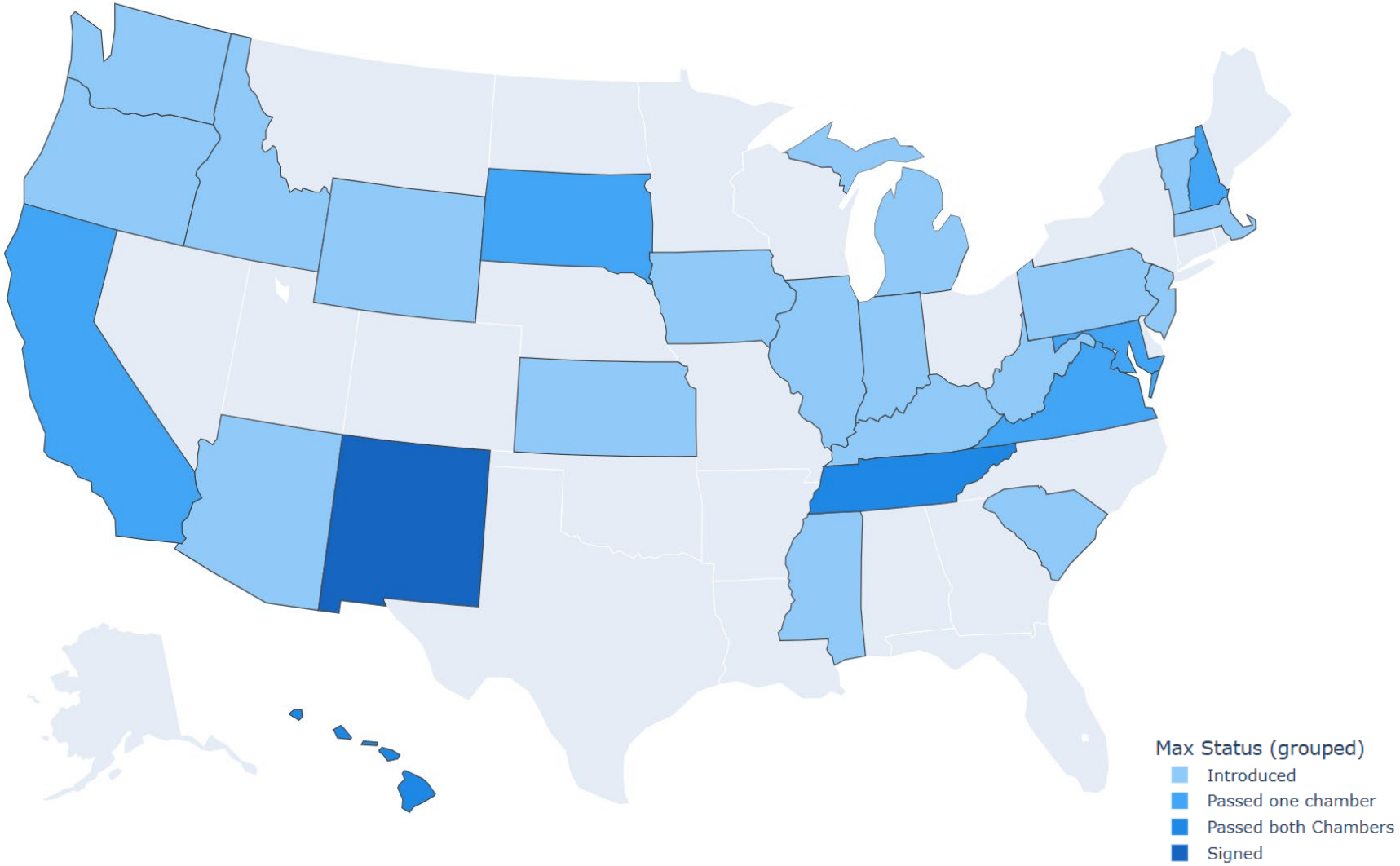
LONG TERM

What does your state predict?

- Road usage charge
- Tolling
- Congestion pricing

TIAC Transportation Investment Advocacy Center American Road & Transportation Builders Association
ARTBA American Road & Transportation Builders Association

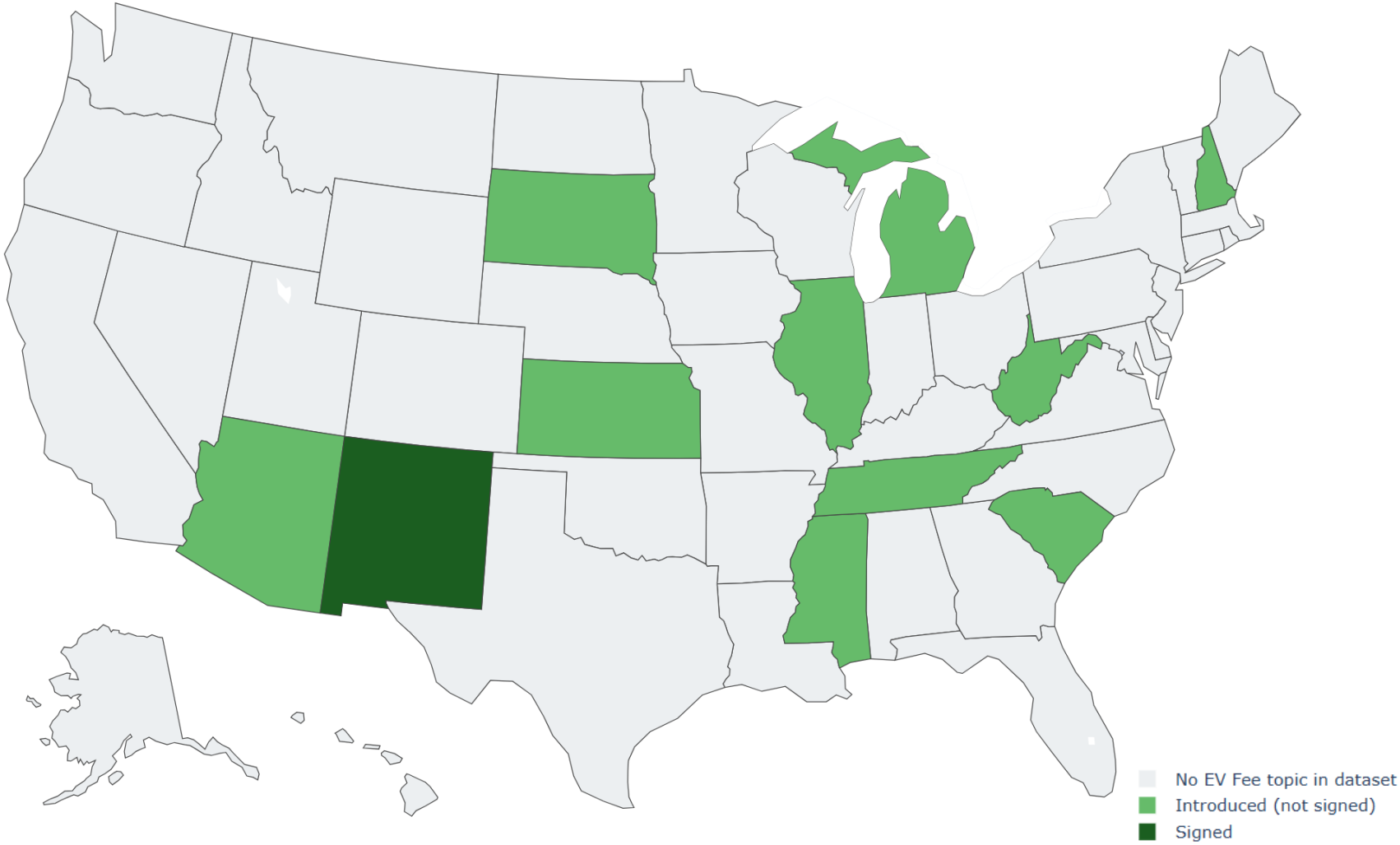
2026: 63 Bills Introduced in 26 States To-Date



Source: ARTBA's Transportation Investment Advocacy Center February 2026 *State Funding Initiatives Report*.

TIAC Transportation Investment Advocacy Center American Road & Transportation Builders Association
ARTBA American Road & Transportation Builders Association

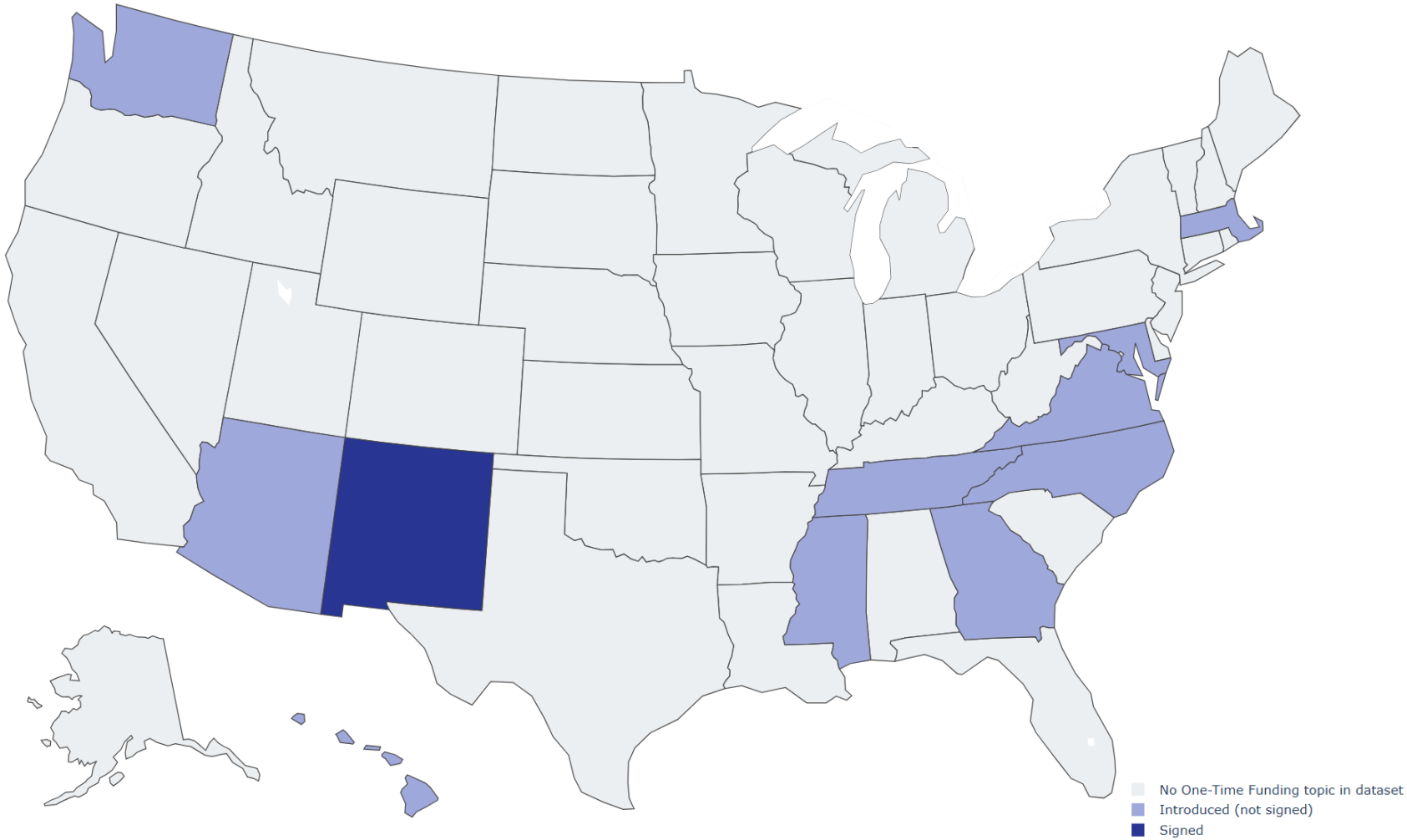
2026 Legislation: Electric Vehicle Taxes/Fees



Source: ARTBA's Transportation Investment Advocacy Center February 2026 *State Funding Initiatives Report*.

TIAC Transportation Investment Advocacy Center American Road & Transportation Builders Association
ARTBA American Road & Transportation Builders Association

2026 Legislation: One-Time Funding



Source: ARTBA's Transportation Investment Advocacy Center February 2026 *State Funding Initiatives Report*.

Transportation Investment Advocacy Center
American Road & Transportation Builders Association

American Road & Transportation Builders Association

Carolyn Kramer Simons

Senior Director, State Funding Policy

American Road & Transportation Builders Association

ckramer@artba.org

202-289-4434