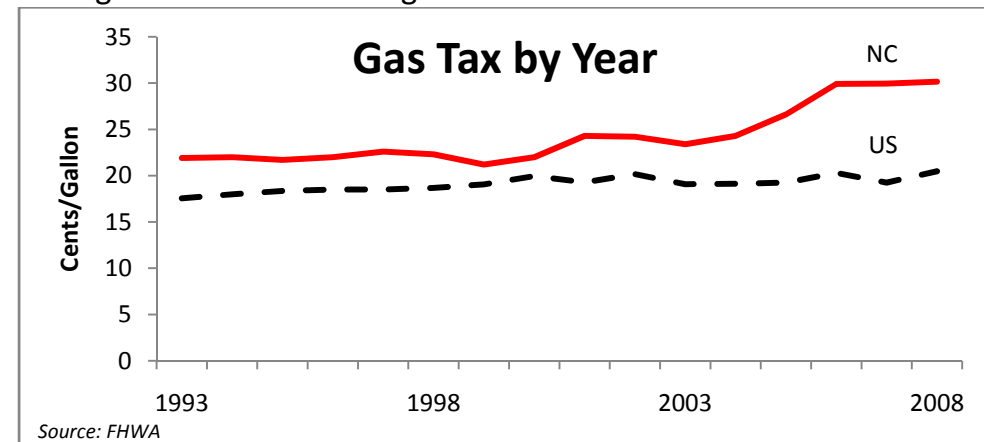
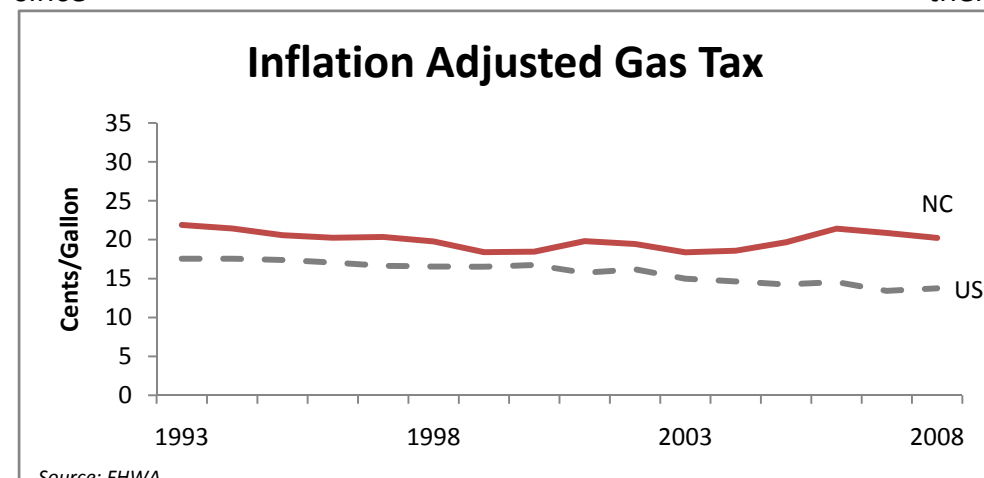


A Summary of North Carolina Transportation Funding

Building highways is expensive. It takes capital and skilled labor to build, operate, and maintain a transportation system. Many look at the gas tax and, especially when gas prices are high; complain about the money that the state is collecting to fund transportation. North Carolina has one of the higher gas taxes in the nation, in part because the legislature indexed our gas tax in 1986.



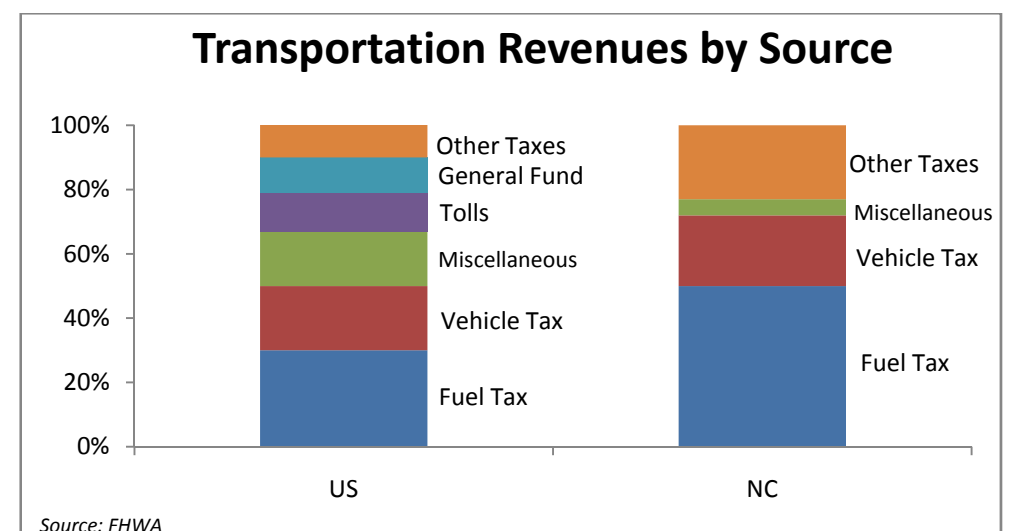
On the other hand, the federal gasoline tax has not changed since 1993¹. Both inflation and better fuel economy² have cut its value in since then.



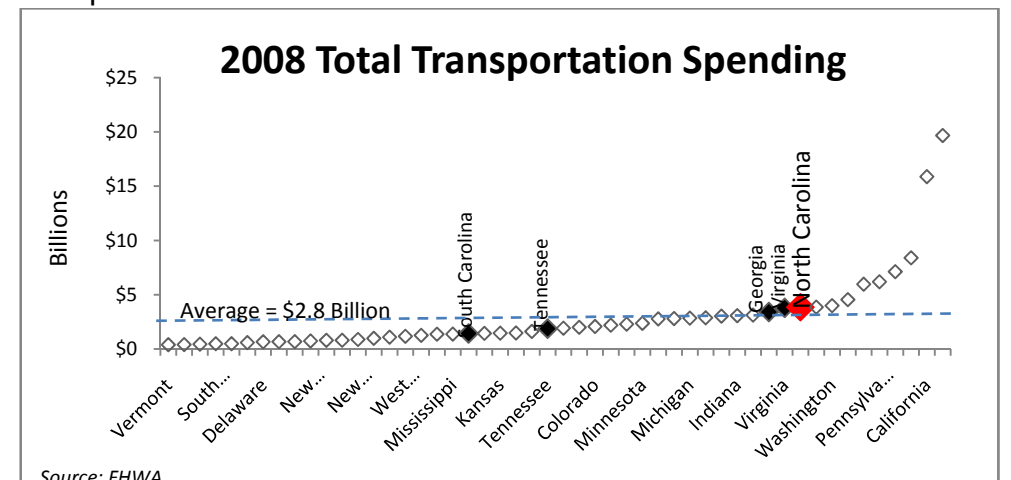
Looking only at the gas tax is misleading. In most states, property taxes, tolls, and gas tax fund transportation, but North Carolina depends mostly on gas tax and vehicle registration alone.

The next graph compares how North Carolina funds transportation with the other states. Typically, about 30 percent of a state's

transportation funding comes from fuel taxes with another 11 percent coming from the general fund. Notice that North Carolina does not use general fund revenues. In fact, North Carolina transfers money from the Highway Fund to the General Fund. Other taxes and fees include license fees for fuel distributors and retailers, inspection fees, fines, taxes on non-road fuel, bonds, interest on state deposits and fees levied on a passenger mile or ton mile basis.

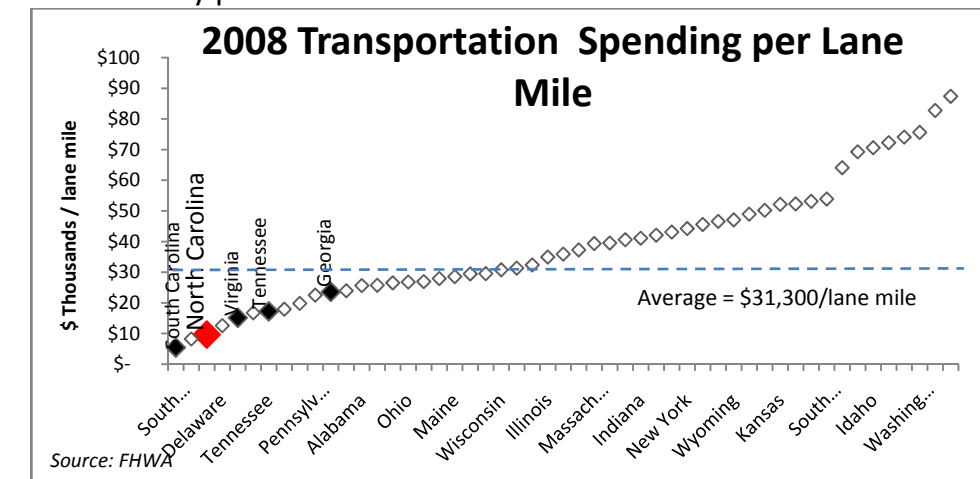


At more than 80,000 miles, North Carolina's state highway system is the largest state-maintained system in the country. In 2008, the State of North Carolina spent about \$3.8 billion on transportation. Only nine states, including California and Pennsylvania, spend more on transportation than North Carolina.

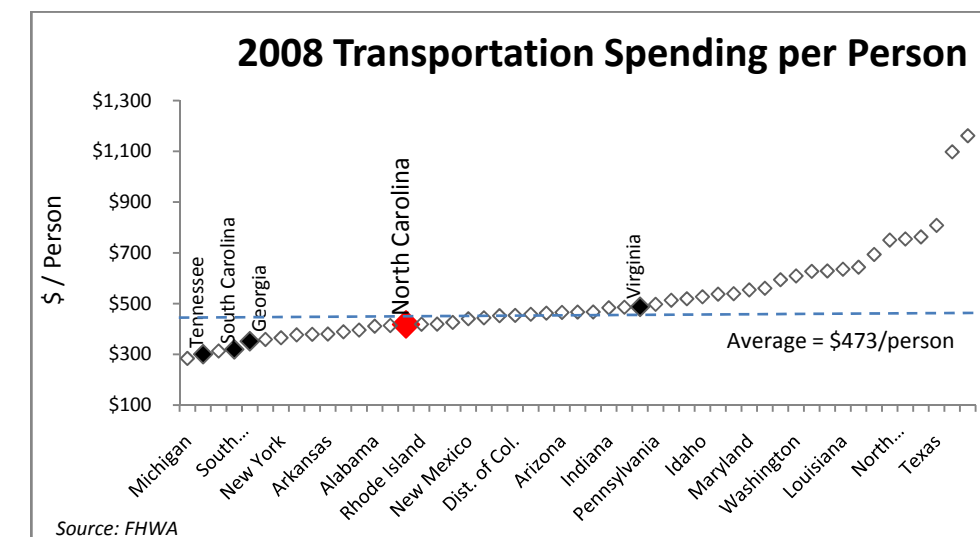


Each year, the state spends about \$9,600 per lane mile compared to the national average of \$31,300. Only South Carolina and Washington, D.C., spend less per lane mile than we do. Virginia

(\$15,100), Tennessee (\$17,200), and Georgia (\$28,600) all spend more money per lane mile than North Carolina.



The State of North Carolina spends about \$418 per person each year on transportation, which is below the national average of \$473 per person. The State of Virginia spends about \$487 per person.



North Carolina is unique because the state maintains more miles of roads and relies on fuel tax revenues more heavily than most states, while spending less per lane mile and per person to do the job. Many would argue over spending priorities when the evidence shows a lack of resources. Until we decide where future transportation funding lies, our bridges will continue to deteriorate, our commutes will get longer, our roads will fall further into disrepair, and our transit systems will shrink- none of which contributes to our needed economic recovery, creating jobs, or a good quality of life.

¹Sources: The data in these graphs comes from FHWA's 2008 Highway Statistics Report

² <http://www.bloomberg.com/news/2011-08-29/put-a-percentage-in-your-tank-to-fix-the-federal-motor-fuels-tax-view.html>