

**AKRON METROPOLITAN AREA TRANSPORTATION STUDY**

**M E M O R A N D U M**

**TO: Policy Committee  
Technical Advisory Committee  
Citizens Involvement Committee**

**FROM: AMATS Staff**

**RE: Resolution 2018-07 – Supporting an Increase in the Federal Gasoline Tax**

**DATE: February 21, 2018**

At the December 14, 2017 Policy Committee meeting, the Staff was authorized to begin work on a resolution of support for a federal gas tax increase. At the January Policy Committee meeting, the committee considered potential strategies for raising the gas tax with the intention of considering a resolution of support in March.

The current federal gas tax is 18.4 cents per gallon and 24.4 cents per gallon for diesel. The tax raises roughly \$35 billion per year for highways and \$5 billion per year for transit. Gas tax funds are deposited into the Highway Trust Fund. Current and projected outlays for the Highway Trust Fund average about \$55 billion a year through 2020. By 2021, the Highway Trust Fund will be insolvent unless there is an infusion of funds through a tax increase, a general revenue transfer or a reduction in spending.

The current state of our roadway infrastructure demands additional investment. In the Greater Akron area, it is projected that over \$4.4 billion is needed just to maintain the highway system between now and 2040. During AMATS' most recent round of funding, local communities requested \$90 million in federal funds. AMATS was only able to award \$33 million of the requests. There is an evident need for additional infrastructure funding in the Greater Akron area.

AMATS believes that based on current funding levels, not only does the federal government need to make the Highway Trust Fund solvent in the short term, but also increase the nation's investment in the federal highway system. The attached resolution declares the AMATS Policy Committee's support of a federal gas tax increase of 15 cents a gallon indexed to inflation. The resolution also urges that the State of Ohio consider measures to raise additional revenue for the state's roadway infrastructure.

**RESOLUTION NUMBER 2018-07**

**OF THE METROPOLITAN TRANSPORTATION POLICY COMMITTEE  
OF THE AKRON METROPOLITAN AREA TRANSPORTATION STUDY**

**SUPPORTING AN INCREASE IN THE FEDERAL GASOLINE TAX**

**WHEREAS**, the Akron Metropolitan Area Transportation Study (AMATS) is designated as the Metropolitan Planning Organization (MPO) by the Governor, acting through the Ohio Department of Transportation and in cooperation with locally elected officials in Summit and Portage Counties and the Chippewa Township and Milton Township areas of Wayne County; and

**WHEREAS**, the Highway Trust Fund was established by Congress in 1956 as a means of funding transportation improvements; and

**WHEREAS**, the revenues that support the Highway Trust Fund are generated through taxes on fuel; and

**WHEREAS**, the Highway Trust Fund is expected to become insolvent after 2020, having received an infusion of over \$50 billion in general revenue funds from Congress to fund the Fixing America's Surface Transportation Act of 2015; and

**WHEREAS**, the Highway Trust Fund's precarious fiscal situation may necessitate spending cuts, tax increases, continued general fund transfers, or some combination of the three; and

**WHEREAS**, budget cuts in the federal transportation program will mean that local governments, states, and regional transit authorities will have greater difficulty in maintaining existing infrastructure and service levels; and

**WHEREAS**, the Highway Trust Fund's current reliance on general fund transfers is neither fiscally responsible, nor desirable for the following reasons: 1) it undermines the "user-pay" principle that has been in place since 1956; 2) it threatens the loss of contract authority for planned transportation improvements; and 3) it severely hampers the ability of AMATS and its member governments to reliably plan for the future; and

**WHEREAS**, the existing federal tax on gasoline of 18.4 cents per gallon has not been increased since 1993; and

**WHEREAS**, the existing system of federal transportation funding is no longer sustainable; and

**WHEREAS**, the FAST Act, the existing transportation bill, will expire in 2020 and has not yet been renewed; and

**WHEREAS**, an increase in the fuel tax of 15 cents a gallon will not only make the Highway Trust Fund solvent, but will also allow for an increase in federal infrastructure spending; and

**WHEREAS**, this Committee believes that the continued ability of AMATS and its member local governments to plan for and to fund transportation improvements is of critical importance.

**NOW THEREFORE BE IT RESOLVED:**

1. That this Committee recognizes that it is not fiscally responsible, nor is it in the public interest, to resort to deficit funding to pay for critical transportation improvements.
2. That this Committee therefore supports a fifteen cent per gallon increase in the federal gasoline tax, indexed to inflation, in order to generate transportation revenue in a fiscally sound manner.
3. That this Committee recognizes that a gasoline fuel increase is a short-term solution, and that in the long-term, a new federal mechanism for generating transportation revenue should be found.
4. That this Committee encourages the State of Ohio to consider raising additional revenue for the State's roadway infrastructure through an increase in the State fuel tax.
5. That this Committee authorizes the Staff to provide copies of this Resolution to the members of Ohio's Congressional delegation and other individuals and agencies, as appropriate, as evidence of action by the Metropolitan Planning Organization.



~~Bobbie Beshara, 2018 Chairwoman~~  
Metropolitan Transportation Policy Committee  
Glenn M. Broska, Acting Chair

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Date