

# Funding Indiana's Infrastructure for the Next Generation

Comprehensive. Sustainable. Responsible.

## HOUSE ENROLLED ACT 1002

- Increase road funding revenue by \$617M in FY 2018 for INDOT and local governments. Of that amount, about \$357M would go to INDOT and \$260M would go to local governments.
    - By FY 2024, HEA 1002 will generate over \$1.2B in new revenue annually for INDOT and local governments. Of that amount, about \$869M would go to INDOT and \$340M would go to local governments.
  - Increase user fees by 10 cents to restore lost buying power
    - Gasoline tax (Currently, 18 cents and last adjusted in 2003)
      - A 10 cent increase would mean about \$5 more per month for the average Hoosier motorist.
    - Special fuel tax (Currently, 16 cents and last adjusted in 1988)
    - Motor carrier surcharge tax (Currently, 11 cents and last adjusted in 1988)
    - To prevent underreporting and free riding, the motor carrier surcharge tax would be collected on diesel fuel at the pump.
  - Index all fuel tax rates annually using a formula that incorporates CPI-U (inflation) and Indiana personal income growth
    - Limits the index to one cent per year and stops the indexing after 7 years.
  - Transfer the remaining 4.5 pennies of the sales tax on gasoline (GUT) from the General Fund to the State Highway Fund by FY 2025
- Implement a \$15 annual statewide infrastructure improvement fee on all passenger vehicles registered in Indiana and increase registration fees by 25% for trucks over 26,000 lbs
  - Implement annual statewide infrastructure improvement fees of \$150 on all electric vehicles registered in Indiana and \$50 on all hybrid vehicles registered in Indiana  
(Fees will be directed to the Community Crossings Matching Grant Fund)
  - Require INDOT to further study tolling and submit a waiver to the federal government to allow tolling of existing interstates
    - If the governor decides to toll existing lanes, the first toll project may not be within 75 miles of an existing toll road or bridge.
  - Implement a new federal fund swap program that could save local governments up to 20% by no longer having to follow stringent and largely unnecessary federal requirements
  - Lower the minimum population threshold applicable to the municipal wheel tax/surtax from 10,000 to 5,000 and extend the deadline for adopting a county or municipal wheel tax/surtax from July 1 to Sept. 1

