Barriers Addressed:

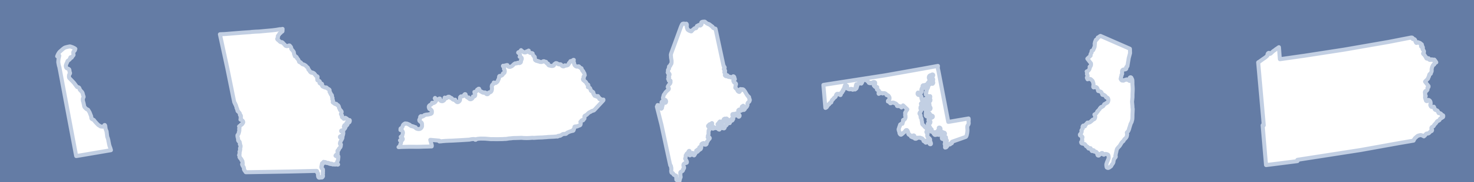
Revenue Sound Bites: Visualizing Revenue Needs

The “Cost of Doing Nothing”

Communicating the impacts of declining transportation funding at the federal and state levels, coupled with the value of transportation, is the linchpin of communicating why MBUF should be explored as a sustainable transportation revenue source. Recognizing this imperative, the Coalition created a graphic revenue forecast called a “revenue sound bite” to provide states with a simple, yet visually impactful way of communicating the current transportation funding reality and how the problem changes over time. The sound bites use a variety of charts and key messages to capture the possible losses in gas tax revenue (or unrealized revenue) anticipated as a result of increases in fuel efficiency and electrification of vehicles. **This work puts a number on the "cost of doing nothing."**

In the course of Phase 5, the Coalition created one federal and seven state-specific transportation revenue sound bites that forecast gas tax revenues based on current light-duty vehicle fleets and gas tax policies and used a range of EV adoption and fuel economy trends (e.g., U.S. Energy Information Agency’s [EIA] forecast). What was consistent across all the sound bites was the fact that **today gas tax decline is primarily due to improved fuel efficiency (i.e., a vehicle going farther on a tank of gas) and not because of EV adoption.** However, over time the increase in the number of EVs in the fleet changes the relative impact to revenue losses eventually exceeding the loss caused by improved miles per gallon (MPG). The following pages show example revenue sound bites.

Which states received revenue sound bites?



Delaware *Georgia* *Kentucky* *Maine* *Maryland* *New Jersey* *Pennsylvania*

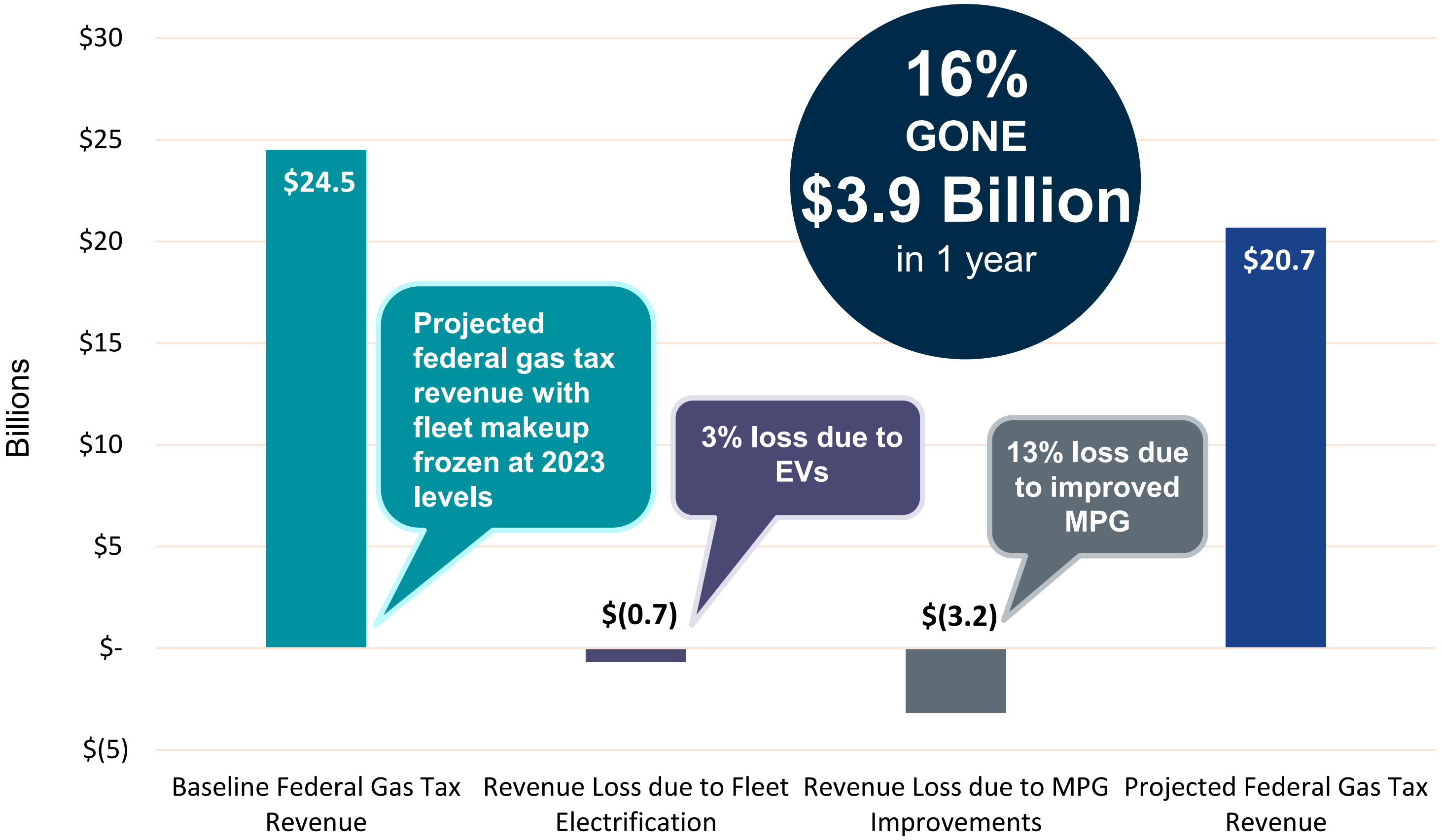
Revenue Sound Bite: Federal

13%
Decrease expected in gas tax revenue in 2030 ***because of improved MPG***

3%
Decrease expected in gas tax revenue in 2030 ***because of EVs***

$3.9 Billion
Decrease in 1 year expected ***because of EVs and improved MPG***

Projected Federal Fuel Tax Revenue in 2030
Slow EV Adoption (EIA)



Note: Nominal dollars. Totals may not add up exactly because of rounding.

Learn more: Appendix A: *Revenue Sound Bite Methodology*

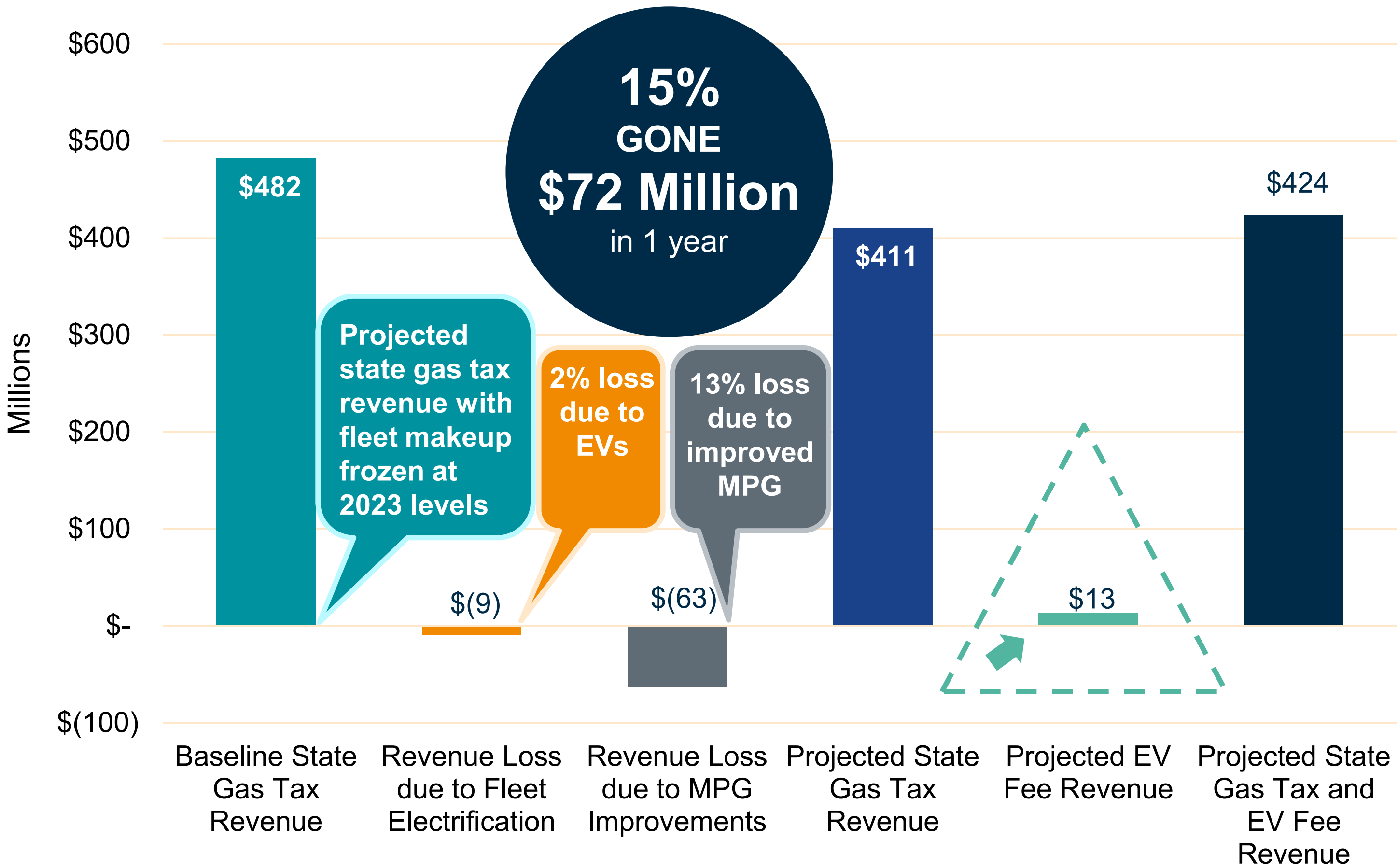
Revenue Sound Bite: Kentucky

13%
Decrease expected in gas tax revenue in 2030 ***because of improved MPG***

2%
Decrease expected in gas tax revenue in 2030 ***because of EVs***

$13 Million
Increase expected ***because of EV fee revenue, offsetting some gas tax losses***

Projected Kentucky Gas Tax and EV Fee Revenue in 2030
Slow EV Adoption (EIA)



Note: Nominal dollars. Totals may not add up exactly because of rounding.

> ***This analysis helps states quantify the long-term revenue impacts of increasing fuel efficiency and electrification. It informs planning and programming activities and provides a reference point for how alternative funding strategies could help offset losses.***
>
> **-- Kentucky Transportation Cabinet (KYTC)**

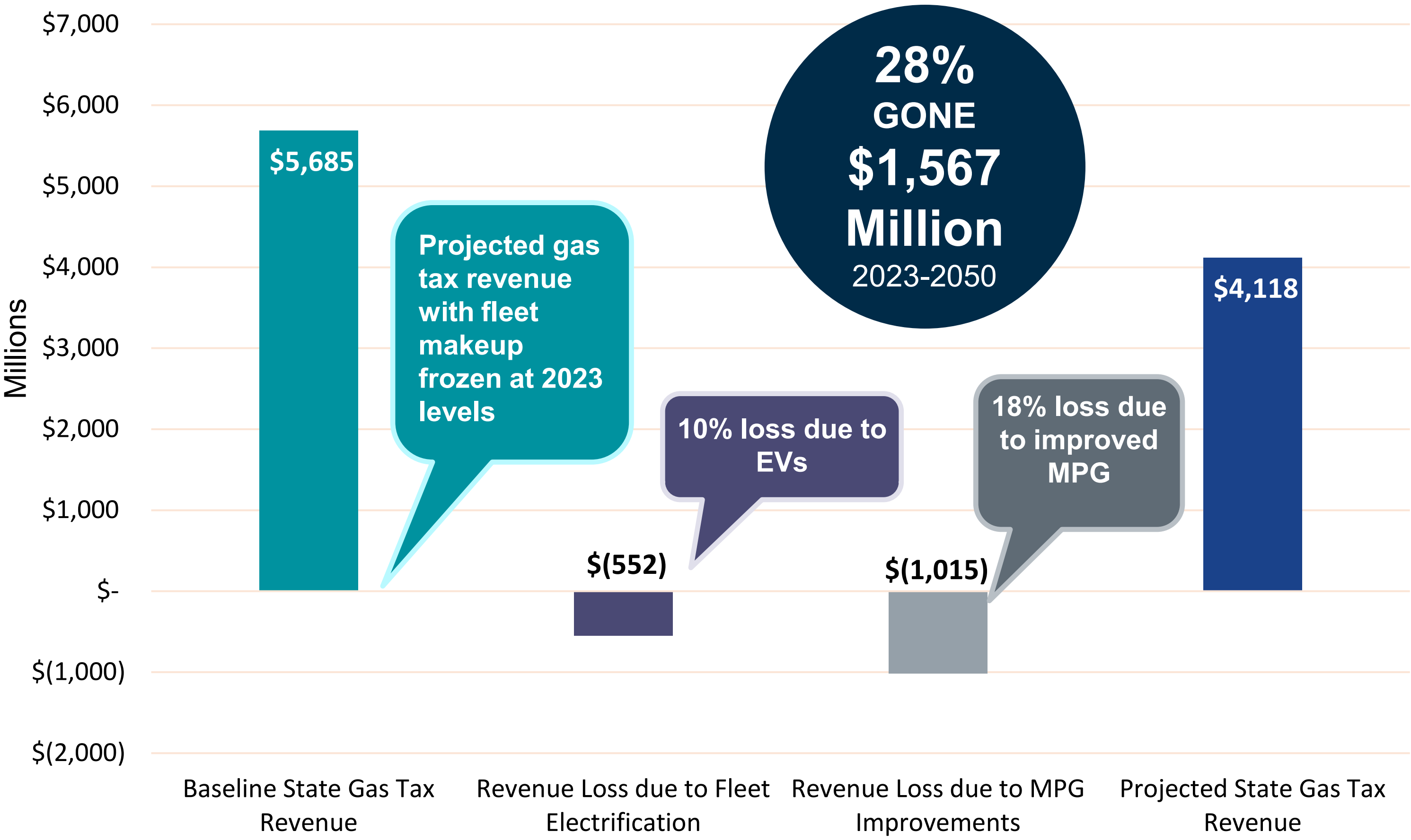
Revenue Sound Bite: Maine

18%
Decrease expected in gas tax revenue in 2030 ***because of improved MPG***

10%
Decrease expected in gas tax revenue in 2030 ***because of EVs***

$1,567 Million
Decrease expected ***because of EVs and improved MPG***

2023-2050 Cumulative State Gas Tax Revenue
Slow EV Adoption (EIA)



Note: Nominal dollars. Totals may not add up exactly because of rounding.