

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
83rd Oregon Legislative Assembly  
2025 Regular Session  
Legislative Revenue Office

**Bill Number:** HB 2025 - B  
**Revenue Area:** Transportation  
**Economist:** Mazen Malik  
**Date:** 06-26-2025

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

**Measure Description:**

Makes various changes to transportation related taxes and fees described in detail below.

**Revenue Impact (\$Millions):**

The bill increases and changes various taxes and fees as well as the distributions of the new revenue. Summary impacts are in the table below.

Net New Revenue in \$ Millions

		2025-27	2027-29	2029-31	2031-33	2033-35
FUELS (Gas& Use)	L/M	\$289.6	\$373.4	\$357.6	\$349.1	\$343.6
Diesel Tax (Hybrid System)	H	\$0.0	\$135.9	\$360.9	\$359.0	\$357.5
Vehicle Reg	L	\$70.0	\$94.4	\$95.6	\$95.8	\$96.9
Titles	L	\$254.9	\$375.3	\$374.3	\$364.1	\$361.4
RUC Net Revenue (-ODOT CC)	L	(\$14.9)	(\$6.9)	\$100.0	\$164.2	\$213.0
RUC commercial Light	L	\$0.0	\$0.1	\$0.4	\$0.5	\$0.5
Use Tax (Prvlg=) (1.75%)	L	\$0.0	\$57.2	\$121.8	\$130.1	\$140.1
Heavy-Med Use Tax (1.75)	M/H	\$0.0	\$4.2	\$8.9	\$9.5	\$10.2
RUC commercial /Med-Hvy	M/H	\$0.0	\$0.7	\$1.8	\$2.5	\$2.7
Heavy (WM&FF&RUAF)	H	\$0.0	\$83.2	\$170.3	\$175.6	\$180.1
<b>Total Highway Fund</b>		<b>\$599.6</b>	<b>\$1,117.5</b>	<b>\$1,591.6</b>	<b>\$1,650.5</b>	<b>\$1,706.1</b>
Fuel Tranfers to Non-Highway Uses		\$14.2	\$19.7	\$20.4	\$21.0	\$20.9
Snowmobile Fund		\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Abandoned Recreational Vehicle Account		\$3.9	\$5.3	\$5.5	\$5.7	\$6.3
Parks (ODOP)		\$17.2	\$24.0	\$26.7	\$29.9	\$30.9
Payroll Tax (STIF)		\$157.3	\$424.0	\$681.4	\$822.7	\$896.4
Vehicle Privilege Tax (1.75%)		\$0.0	\$221.1	\$480.9	\$511.7	\$551.1
<b>Grand Total for HB 2025</b>		<b>\$792.4</b>	<b>\$1,811.8</b>	<b>\$2,806.7</b>	<b>\$3,041.7</b>	<b>\$3,211.9</b>

The new revenue is distributed as shown in the following tables.

Distribution of Revenue	\$ Million				
	2025-27	2027-29	2029-31	2031-33	2033-35
<b>Total Highway Fund Net New Revenue</b>	<b>\$599.6</b>	<b>\$1,117.5</b>	<b>\$1,591.6</b>	<b>\$1,650.5</b>	<b>\$1,706.1</b>

OFF THE TOP DEDICATION					
Safe Routes to Schools	\$0.0	\$25.0	\$50.0	\$50.0	\$50.0
Wild Life Collision	\$0.0	\$5.0	\$10.0	\$10.0	\$10.0
<b>Subtotal Programs</b>	<b>\$0.0</b>	<b>\$30.0</b>	<b>\$60.0</b>	<b>\$60.0</b>	<b>\$60.0</b>

New distributions percentages						
State	50.0%	\$307.3	\$546.8	\$714.7	\$711.6	\$714.9
Counties	28.6%	\$175.9	\$313.1	\$409.2	\$407.5	\$409.4
Counties (Small)	1.4%	\$8.4	\$15.0	\$19.6	\$19.5	\$19.6
Cities	20.0%	\$122.9	\$218.7	\$285.9	\$284.6	\$286.0
Other (existing law % ) Distributions						
State		(\$7.4)	(\$3.0)	\$51.1	\$83.6	\$108.1
Counties		(\$4.5)	(\$1.8)	\$30.7	\$50.2	\$64.9
Counties (Small)		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cities		(\$3.0)	(\$1.2)	\$20.4	\$33.4	\$43.3

Total City/ County/ State Highway Fund Distributions					
State	\$299.8	\$543.7	\$765.8	\$795.2	\$823.1
Counties	\$171.5	\$311.3	\$439.9	\$457.6	\$474.2
Counties (Small)	\$8.4	\$15.0	\$19.6	\$19.5	\$19.6
Cities	\$119.9	\$217.5	\$306.3	\$318.1	\$329.2
<b>Subtotal Highway Fund Distributions</b>	<b>\$599.6</b>	<b>\$1,087.5</b>	<b>\$1,531.6</b>	<b>\$1,590.5</b>	<b>\$1,646.1</b>

<b>Total All Highway Fund Distributions</b>	<b>\$599.6</b>	<b>\$1,117.5</b>	<b>\$1,591.6</b>	<b>\$1,650.5</b>	<b>\$1,706.1</b>
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Non Highway Funds	2025-27	2027-29	2029-31	2031-33	2033-35
Fuel Tranfers to Non-Highway	\$14.2	\$19.7	\$20.4	\$21.0	\$20.9
Snowmobile Fund	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Abandoned Recreational Vehicle Account	\$3.9	\$5.3	\$5.5	\$5.7	\$6.3
Parks (ODOP)	\$17.2	\$24.0	\$26.7	\$29.9	\$30.9
Payroll Tax (STIF)	\$157.3	\$424.0	\$681.4	\$822.7	\$896.4
Vehicle Privilege Tax (1.75%)	\$0.0	\$221.1	\$480.9	\$511.7	\$551.1

<b>Grand Total Funds Distributed</b>	<b>\$792.4</b>	<b>\$1,811.8</b>	<b>\$2,806.7</b>	<b>\$3,041.7</b>	<b>\$3,211.9</b>
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The measure introduces a new distribution scheme for the privilege tax revenues. This new structure distributes both new and existing revenue. As shown in the table below.

Vehicle Privilege Tax (VPT) Revenue Distributions	2025-27	2027-29	2029-31	2031-33	2033-35
VPT (New)		\$221.1	\$480.9	\$511.7	\$551.1
VPT (Existing)		\$49.1	\$106.9	\$113.7	\$122.5
<b>Total VPT</b>		<b>\$270.2</b>	<b>\$587.8</b>	<b>\$625.4</b>	<b>\$673.6</b>
<b>Distributions</b>					
Great Streets Fund	38%	\$102.7	\$223.4	\$237.7	\$256.0
Anchor Projects	38%	\$102.7	\$223.4	\$237.7	\$256.0
EV Rebates (new & existing)	10%	\$27.0	\$58.8	\$62.5	\$67.4
Connect Oregon (new & existing)	8%	\$21.6	\$47.0	\$50.0	\$53.9
Rail	6%	\$16.2	\$35.3	\$37.5	\$40.4
<b>Total VPT (new and existing) distribution</b>		<b>\$0.0</b>	<b>\$270.2</b>	<b>\$587.8</b>	<b>\$625.4</b>
				<b>\$673.6</b>	

### Impact Explanation:

**Fuel Taxes:** The measure increases per-gallon state motor vehicle fuel tax and use-fuel tax to 52 cents on January 1, 2026. Starting in section 11 (to section 43), the measure imposes a new tax on Diesel (used by heavy vehicles), by modifying the definition of diesel fuel to be administered and taxed in a comparable fashion to the motor vehicle fuel tax paid by light vehicles. This approach is a major part of what is known as the “hybrid system” of taxation for heavy vehicles. In this hybrid system, the traditional taxing instrument of heavy vehicles, the Weight Mile taxes, are augmented by a Diesel tax which is equivalent in rate, point of taxation, and method of collection to the fuel (Gas) tax. Consequently, the new tax on diesel generates revenue from the consumption of fuel by heavy and some medium-heavy vehicles. Diesel tax consumption by interstate heavy vehicles is mostly administered in partnership with IFTA (International Fuel Tax Agreement). IFTA is a clearing house for states (with Canada and Mexico) to collect appropriate taxes commensurate with miles driven in each state.

**Vehicle Registration Fees:** The measure increases annual fees on registration of passenger vehicles by \$12, however, that increase occurs in two integrated steps. The first occurs (in section 140) by adding the amount of \$20 to the registration base-fee. This revenue neutral change is accomplished by removing the first layer of the MPG surcharge (0-20 MPG) and an equivalent amount (\$20) from the other MPG tiers surcharges that were established in HB 2017 (2017 Session). After that rearrangement of registration base fees, the actual amount of increase (\$12) is added. Net increase in the base is reflected in (section 62) of the measure, which shows annual vehicle registration fees going from \$43 to \$75. Surcharge Fees established in HB 2017 are adjusted accordingly, where the EV (tier) surcharge is reduced to \$95 (section 140) before it is repealed in 2031 by section 143 of the measure. At that time, EV taxation and contribution to road use expenses is expected to be mostly administered through the RUC (Road User Charge) program. For mopeds and motorcycles, the measure also increases the registration fees (from \$44 to \$75), low-speed vehicles, light trailers, and medium-speed electric vehicles go from \$63 to \$75.

**Title fees:** The measure removes and averages the MPG tiers (established in HB 2017). Those tiers were attempting to further recover costs to the road system imposed by highly efficient vehicles (not sufficiently contributing through the fuel tax), however, the implementation and administration of that program became less effective. Thus, averaging those fees to improve the process, effectively brought the current title fees to an average of \$112. Although the measure net increase for title fees is \$200, the readjustment of title fees with averaging of MPG tiers ends up showing as an Increase in title fees from \$77 to \$312 (in section 63).

**Road User Charge (RUC):** The measure begins the transition to the per-mile Road Usage Charge (starting in section 131) by gradually adding different vehicle classes that must use the mandatory RUC program as it takes effect. The mandatory RUC program is implemented on an expedited transitional fashion. It starts with requiring EVs, at the time of renewing their registration with DMV, to be enrolled in the RUC program on 7/1/26. New EV's (registering and titling) will start enrolling on 1/1/27. Finally, new and renewing Hybrid vehicles and Plug in Hybrid Vehicles (PHEV) will be enrolled starting 7/1/27. Although DMV will reduce registration fees for electric and fuel-efficient vehicles when they enroll with the RUC program (section 140), they can also choose an annual flat fee payment of \$340, which will adjust with the change in fuel tax rates. The RUC program is likely to be administered by private contractors known as Account Managers (AM). The AM expenses reduce the net revenue transferred to ODOT and are eventually limited by the measure. The allowed expense for the AM is specified to not exceed 10% of the revenue collected starting in FY30. Prior to that, this analysis assumes costs to start at 28% and go down to 17% in FY 29. This does not include ODOT's administrative expenses which are estimated at \$8 million a biennium growing by 1% per year. The (mile) road user charge for miles driven in Oregon for passenger vehicles is set at 5 percent the rate of the per-gallon fuel tax in effect at the time of the fee assessment. Vehicles enrolled in RUC are not subject to the enhanced portion of registration fees. That registration surcharge was intended to increase road cost recovery from vehicles that paid less in gasoline tax (as designed in HB 2017). By the end of 2030, all electric vehicles would be enrolled in the RUC program, thus the enhanced registration fee for EV's will no longer be necessary, and it will be repealed on 1/1/2031. The current voluntary program known as OReGO will be repealed in 2037

**A separate RUC program** charge for commercial vehicles is set at 10 percent of the fuel tax rate for electric delivery vehicles and vehicles between 10,000-26,000lb. Because the fuel tax is frequently changed, the road usage charge is specified to adjust accordingly. The measure requires enrollment of commercial delivery vehicles in July 2028.

While commercial delivery vehicles with GVW less than 10,000 lb. are counted as light payments, delivery vehicle payments of medium-heavy vehicles (10,000-26,000) are counted against that vehicle-class cost responsibility. Both revenue sources are shown on separate lines in the revenue table. Revenue from both RUC programs are distributed according to an existing current law formula of 50-30-20, and not subject to the dedicated or off-the-top distributions established in sections 110-114 of the measure.

The RUC program estimates are subject to several risks, including the ability of the AM (Account Managers) to keep collection costs under the assumed limits, particularly if they must distinguish and charge payments for miles driven in Oregon only. Another risk would be the ability of the program to meticulously launch under the expedited timeline proposed in the measure. Additionally, finding a suitable AM to administer the program might prove challenging.

**Heavy vehicle Payments:** The heavy payment category is traditionally dominated by the **Weight-Mile (W-M)** tax, **Flat Fee (FF)** payments, and the **Road Use Assessment Fees (RUAF)**. This measure delays any increase in these taxes and fees until July-2028 (FY-29). At that time, the measure introduces two main reforms to the heavy vehicle taxation system.

- 1) First, is the introduction of a diesel tax discussed above in addition to the W-M tax to create a hybrid system for payments. Currently heavy vehicles (above 26,000 lb.) generate 2.4 billion VMT in an average year, which would translate to about \$140 million in revenue (considering current fuel tax rate and MPG). In theory, diesel consumption and tax payments increase for heavier trucks as they consume more fuel, however, this increase is not commensurate with the damage imposed on the roads by the heavier weight vehicles. Thus, the W-M segment of the hybrid system (if calibrated correctly) is supposed to shoulder that damage difference. This hybrid system needs to be studied and researched more thoroughly to align its effectiveness and character with the Highway Cost Allocation Study (HCAS) process.
- 2) Second, the resulting new weight mile rate tables (after the hybrid system is introduced) were simplified to ten gradually increasing rates. The first nine rates increase by 6,000 lb. increments from 26,000 lb. to 80,000 lb. These nine rates essentially replace the current (2,000 lb. increments) Table-A of the weight mile tax. The tenth increment of the simplified table spans all trucks weighing between 80,001 to 105,000lb. This broad single 25,000 lb. weight increment essentially replaces all of Table-B of the current W-M tax rates. It is worth noting that the current Table-B contains different (adjusting) rates of tax relative to the number of axels that a truck (of a certain weight class) uses. Table-B was initially developed to encourage vehicles with heavier weights to use more axels. Distributing weights on a higher number of axels reduces damage to the roads and pavements. The new simplified system will likely need more thorough study and research to align its effectiveness to the results and research of the Highway Cost Allocation Study (HCAS) process.

By FY 2029, the measure initiates the diesel tax and introduces the new abbreviated rate structure, as well as increases the weight-mile taxes commensurate with the two-prong structure reform (section 2). However, the weight-mile tables for FY-29 abbreviated what otherwise would have required four different rate changes to create an HCAS balance in each respective biennium. Hence, the resulting revenue of this measure is not balanced to the biennial requirement, however, the overall (4 biennia) from 2027-29 to 2033-35 are cumulatively balanced with offsetting over and under payments over 8 years (as shown in the Tables below). The measure also introduces a table (E) for electric trucks, which do not consume diesel, and do not contribute to their cost responsibility through diesel tax payments.

Heavy electric vehicles are not common currently but might start coming into service in the coming years.

The measure maintains the non-divisible load permits RUAF that are in current law until the other heavy vehicle taxes and fees come online in FY 29. Flat Fees for commodity haulers were not adjusted in the 2025-27 biennium (to reflect the results of the Flat Fee study) from current rates. However, the FY 29 rates for RUAF will go to \$12.7 (section 64). Log Haulers will increase to \$12.21 for E-vehicles, and \$7.82 for Diesel vehicles, while Sand & Gravel, will increase to \$19.75 for E-Vehicles, and \$12.64 for Diesel vehicles (section 65). Other commodity rates were repealed for the lack of use.

**Highway Cost Allocation (HCAS) Implications:** The Weight Mile taxes are customarily adjusted to achieve the required constitutional biennial balance reflected by the HCAS ratios. However, this measure only changes the Weight Mile taxes once (16.3% at the beginning of FY29) in a fashion that does not achieve balance for any of the subsequent five biennia, however, it does achieve aggregate balance for the total sum payments of four biennia following the increase. In other words, the sum of over and under payments for the 27-29 to the 2033-35 biennia sum up to a statistical zero.

The separate revenue contributions of heavy and light vehicles are shown in the tables below.

Highway Fund Revenue \$ Million	2025-27 BN	2027-29 BN	2029-31 BN	2031-33 BN	2033-35 BN
<b>Light Payments</b>					
FUELS (Gas& Use)	\$283.8	\$366.0	\$350.4	\$342.1	\$336.8
Vehicle Reg	\$70.0	\$94.4	\$95.6	\$95.8	\$96.9
Titles	\$254.9	\$375.3	\$374.3	\$364.1	\$361.4
Net RUC -ODOT CC	(\$14.9)	(\$6.9)	\$100.0	\$164.2	\$213.0
RUC commercial Light	\$0.0	\$0.1	\$0.4	\$0.5	\$0.5
Use Tax (Prvlg=) (1.75%)	\$0.0	\$57.2	\$121.8	\$130.1	\$140.1
Revenue from Gas Indexing	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Light</b>	<b>\$593.9</b>	<b>\$886.1</b>	<b>\$1,042.5</b>	<b>\$1,096.9</b>	<b>\$1,148.7</b>
<b>percentage Light Payments out of Total Revenue</b>	99.0%	79.3%	65.5%	66.5%	67.3%
<b>Heavy Payments</b>					
FUELS (Gas& Use) heavy	\$5.8	\$7.5	\$7.2	\$7.0	\$6.9
Heavy-Med Use Tax (1.75)	\$0.0	\$4.2	\$8.9	\$9.5	\$10.2
RUC commercial Heavy	\$0.0	\$0.7	\$1.8	\$2.5	\$2.7
Diesel Tax	\$0.0	\$135.9	\$360.9	\$359.0	\$357.5
Weight Mile/FF/RUAF	\$0.0	\$83.2	\$170.3	\$175.6	\$180.1
<b>Total Heavy</b>	<b>\$5.8</b>	<b>\$231.4</b>	<b>\$549.1</b>	<b>\$553.6</b>	<b>\$557.4</b>
<b>percentage Heavy Payments out of Total Revenue</b>	1.0%	20.7%	34.5%	33.5%	32.7%
<b>Total Highway Fund (Light and Heavy)</b>	<b>\$599.6</b>	<b>\$1,117.5</b>	<b>\$1,591.6</b>	<b>\$1,650.5</b>	<b>\$1,706.1</b>

In its latest iteration, the 25-27 HCAS projected an over payment of \$182 million by heavy vehicles for the coming biennium. This overpayment is remedied in this measure by considering the first \$565 million

payment by light vehicles as an offsetting balance to that heavy overpayment. After accounting for that, additional payments by light vehicles in the 25-27 biennium results in an additional \$7.4 million underpayment by heavy vehicles. Over the five biennia reflected in this analysis, the lack of balance between the vehicle classes is a result of the weight mile taxes being raised only once without particularly pursuing to balance each biennium for equity of the cost responsibility shares. The effect of the (tax increase) delay until FY29 is most pronounced in the 27-29 biennium, where heavy vehicles underpayment reaches a little over \$170 million. However, heavy vehicles are estimated to overpay in the 2029-31 biennium by \$76.6 million, \$56.4 million for 2031-33, and \$36.7 million in 2033-35. Although the outlook of payments is not compliant with balancing each biennium, the sum for the overpayments is a practical offset for the underpayment in 2027-29. Naturally light vehicle payments would be the mirror image (opposite sign) of what heavy payments are.

Comparison of revenue and relative balance of over and (**under**) payments for the general broad classes of heavy (10,000 lb. and above) and light (below 10,000 lb.) vehicles are shown in the table below.

<b>HCAS Balance</b>	<b>2025-27 BN</b>	<b>2027-29 BN</b>	<b>2029-31 BN</b>	<b>2031-33 BN</b>	<b>2033-35 BN</b>
Bring 25-27 HCAS to Balance					
light payments before Heavy is needed (Heavy payments \$182)	\$565.4	\$0.0	\$0.0	\$0.0	\$0.0
Light payments needed to be balanced after (25-27) adjustment	\$28.5	\$886.1	\$1,042.5	\$1,096.9	\$1,148.7
Heavy needed after (25-27 Balance)	\$13.2	\$401.6	\$472.5	\$497.1	\$520.7
Other Heavy Revenue (not W/M)	\$5.8	\$148.2	\$378.7	\$378.0	\$377.2
Heavy payment WM &FF &RUAF	\$0.0	\$83.2	\$170.3	\$175.6	\$180.1
<b>Subtotal (needed - payments)</b>	<b>(\$7.4)</b>	<b>(\$170.2)</b>	<b>\$76.6</b>	<b>\$56.4</b>	<b>\$36.7</b>
<b>Cost Responsibility Balance</b>	<b>2025-27 BN</b>	<b>2027-29 BN</b>	<b>2029-31 BN</b>	<b>2031-33 BN</b>	<b>2033-35 BN</b>
<b>Total Heavy (<b>under</b>) / over payments</b>	<b>(\$7.4)</b>	<b>(\$170.2)</b>	<b>\$76.6</b>	<b>\$56.4</b>	<b>\$36.7</b>
<b>Total Light (<b>under</b>) / over payments</b>	<b>\$7.4</b>	<b>\$170.2</b>	<b>(\$76.6)</b>	<b>(\$56.4)</b>	<b>(\$36.7)</b>

HCAS is predicated upon allocating the revenue raised to specific expenditure categories to achieve balanced allocation of payments between vehicle classes. This revenue estimate was based on the general expenditure categories offered by ODOT. Those expenditures are assumed to cover ODOT budget rebalance in the 2025-27 biennium, while for 2027-29 and the following biennia, ODOT is assumed to direct 36% of revenue to Maintenance, 35% to Operation & Admin, 25% to Preservation, 2% to Safety, and 2% to a Flexible Reserve. Adding to that mix, the expenditure categories of dedicated (off-the-top) programs, and local government expenditures, results in light vehicles responsibility (for all light payers) of 68.83%, and heavy vehicles (all heavy payers) responsibility of 31.17%. However, the risk to the revenue estimates stems from the lack of specificity (in the measure) for those intended expenditure categories (of the revenue generated). Because of expenditures are not specified in law, as it has been done in previous packages, the assumed expenditure profile can change at any one biennium during the coming 10 years, requiring further future adjustments of tax rates.

**Highway Fund Distributions:** The measure used different formulas for distributions of the highway fund revenue. One of these formulas were based on existing (current) law and the other was devised by this measure (sections 110-113). The impact section of this RIS (Revenue Impact Statement) shows the specific dollar amounts going to all the different uses, however, the table below shows the overall distribution for the new revenue generated by the measure. The measure also tasks LRO in consultation with ODOT (in section 172) to study and recommend consolidation of all the different distributions that are currently found in the statutes.

Highway Fund Distributions %	2025-27	2027-29	2029-31	2031-33	2033-35
Dedicated Programs	0.0%	2.7%	3.8%	3.6%	3.5%
State	50.0%	48.7%	48.1%	48.2%	48.2%
Counties	30.0%	29.2%	28.9%	28.9%	28.9%
Cities	20.0%	19.5%	19.2%	19.3%	19.3%

**Vehicle Privilege Tax (VPT):** The measure increases the vehicle privilege tax rate paid by vehicle dealers for the privilege of selling vehicles in Oregon from 0.5 percent to 2.25% percent of the retail sales price of the sold motor vehicles. The measure also expands the VPT to used vehicles sold by dealers and priced above \$10,000 (with an exclusion of the first \$10,000). For vehicles purchased outside Oregon, the tax is mirrored through an equivalent Vehicle Use Tax (VUT) imposed on subject vehicles that are registered and titled in Oregon. Current net revenue from the 0.5% privilege tax is directed to DEQ (45%) and Connect Oregon programs (65%). However, the revenue resulting from this measure as well existing revenue will be subject to a new distribution scheme. The total revenue from the VPT is distributed (in sections 60a, and 60b) 38% to Anchor Projects, 38% to Great Streets, 10% to DEQ (EV rebate program), 10% to Connect Oregon (multimodal programs), and 6% to Rail programs. The new distribution essentially increases the (DEQ) EV rebate program by \$5.6 million per year, while decreasing Connect Oregon program by about \$6.2 million from current allocations.

While the privilege tax is allowed to be used for programs other than Highway, 76% of the VPT revenue is now directed to two highway fund programs, Anchor Projects and Great Streets. However, the corollary Use Tax is a highway fund restricted, and \$25 million of that amount are directed to the “Great Schools” fund and \$5 million to the “Wildlife Collision” fund. These revenue source and distributions and is accounted for in the highway fund tables in the beginning of this RIS.

**Payroll Tax:** The measure increases the employee payroll tax from 0.1 percent to 0.18 percent effective January 1, 2026; to 0.25 percent effective January 1, 2028, and finally to 0.3 percent effective January 1, 2030 (section 54). By 2031 the tax raises around \$450 million per year. All the resulting net revenue from those increases still go to the STIF (Statewide Transportation Improvement Fund). The measure also expands the allowable uses of the STIF to include capital projects as well as operation of transit services.

Finally, the measure raises several fees for Recreational Vehicles (RV) and Trailer transactions. The revenue from these transactions will go to the **Department of State Parks**. The measure also creates the **Abandoned Recreational Vehicle Account (ARVA)** and directs revenues from fees to the fund. Those



fees are indexed to inflation starting in FY 28 until the fund is repealed on January 2, 2036. Revenues are reflected separately in the tables.

RV, Trailer fees, ARVA indexed fees are shown in the table below.

Category	Current Rate	Proposed Rate Jan 1, 2026	Proposed Rate Jan 1,	Proposed Rate Jan 1, 2030	Proposed Rate Jan 1, 2032	Proposed Rate Jan 1, 2034
Motor Homes	\$ 288.96	\$ 445.01	\$ 460.00	\$ 480.00	\$ 502.00	\$ 522.00
Campers	\$ 127.51	\$ 196.37	\$ 203.00	\$ 212.00	\$ 222.00	\$ 230.00
Travel Trailers	\$ 203.02	\$ 312.65	\$ 323.00	\$ 337.00	\$ 353.00	\$ 366.00
RV Trip Permits	\$ 35.00	\$ 50.00	\$ 52.00	\$ 54.00	\$ 56.00	\$ 59.00
ARVA Motor Homes	\$ -	\$ 25.00	\$ 26.00	\$ 27.00	\$ 28.00	\$ 29.00
ARVA Campers	\$ -	\$ 25.00	\$ 26.00	\$ 27.00	\$ 28.00	\$ 29.00
ARVA Travel Trailers	\$ -	\$ 25.00	\$ 26.00	\$ 27.00	\$ 28.00	\$ 29.00
ARVA RV Trip Permits	\$ -	\$ 40.00	\$ 41.00	\$ 43.00	\$ 45.00	\$ 47.00
<b>Abandoned Recreational Vehicle Account (ARVA)</b>						
Non-Highway						

Creates, Extends, or Expands Tax Expenditure: Yes  No