

**THIS EXPLANATION HAS NOT BEEN
REVIEWED OR APPROVED BY THE
LEGISLATIVE COUNSEL COMMITTEE.**

MEASURE NO. _____

**INCREASES FUEL TAXES, REGISTRATION/TITLE FEES FOR ROADS, TAX ON
WAGES FOR PUBLIC TRANSPORTATION SERVICES**

Submitted to the Electorate of Oregon by Referendum Petition to be voted on at the
Primary Election, May 19, 2026.

Explanation

Ballot Measure _____ amends Oregon statutes to increase the fuel tax, vehicle
registration fees and title fees and temporarily increase the payroll tax used for public
transportation.

Under current law and the Oregon Constitution, state fuel taxes and registration fees
are imposed to pay for highways, bridges and roadside rest areas in Oregon. Payroll taxes,
fares and other funds are used to pay for public transportation. Currently, a payroll tax is
imposed at a rate of one-tenth of one percent. The payroll tax applies to the wages of an
employee who is a resident of this state, regardless of where services are performed, or of
an employee who is not a resident of this state, for services performed in this state. The
revenue from the payroll tax is given to public transportation agencies across the state to
provide public transportation, like bus service.

The Legislative Assembly enacted House Bill 3991 in a 2025 special session.
Among other things, the bill increases vehicle fuel taxes and some vehicle registration and
title fees. House Bill 3991 requires owners of electric vehicles and hybrids to pay a flat fee
or a per mile fee for miles driven; imposes additional accountability measures for the
Department of Transportation; eliminates existing statutory language requiring tolling for
some highway projects; and simplifies the state's "weight-mile" system of taxing heavy

