



**KENTUCKIANS FOR BETTER
TRANSPORTATION**
WE MAKE KENTUCKY **GO**

THE MOTOR FUELS TAX:

Impacts of Emergency Regulation 103 KAR 043:340E



ABOUT US

- KBT was formed in 1977 by a group of individuals representing the multi-modal transportation network
- The organization has grown to more than 300 members who continue to represent all modes of transportation across the Commonwealth including air, local streets and roads, highways, bridges, rail, public transit, and Kentucky's ports and river industries
- Additionally, KBT members include representatives of local governments, chambers of commerce, and major manufacturing and logistics companies that depend on a safe, efficient transportation network

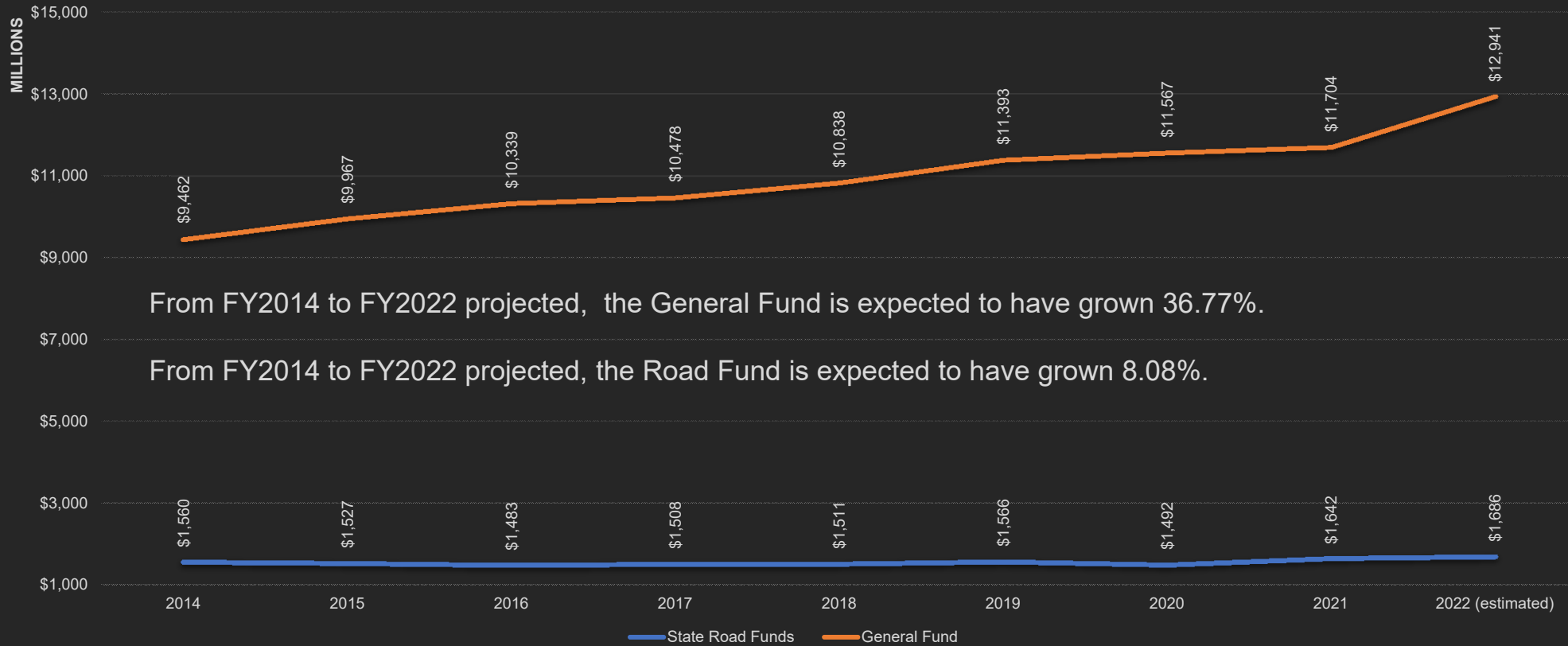


EFFECTS OF A GAS TAX FREEZE

- Average Kentuckian will save \$1/month
- Road fund is projected to lose \$35 million by January (if extended through Fiscal Year 2023 the total is \$60 million)
- The \$0.02 motor fuels tax increase as well as expected federal funds were included in the biennial transportation budget
- Loss of user fees from out-of-state drivers
- Freezes cripple the funding mechanism and render the current motor fuel tax system irrelevant



Growth Comparison Of Kentucky's General Fund versus Road Fund



From FY2014 to FY2022 projected, the General Fund is expected to have grown 36.77%.

From FY2014 to FY2022 projected, the Road Fund is expected to have grown 8.08%.

From 2014 to 2022, construction costs have increased 17.3%, according to the FHWA NHCCI 2.0 index. This means that in today's dollars, we need \$1.830 billion to have the same buying power we had in 2014.

KEY TAKEAWAYS

- In the last eight years we have seen little to no growth in the road fund and have not kept pace with rising costs and increased needs
- The recent suspension of the two-cent gas tax increase contributes to chronic under funding of transportation infrastructure
- KBT is committed to being a resource and looks forward to working with all interested parties to modernize state transportation revenue mechanisms





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