

H.B. 362 – Transportation Infrastructure Funding

H.B. 362 is a comprehensive approach to addressing part of the funding shortfall identified in [Utah's Unified Transportation Plan](#). The bill reforms the state gas tax and authorizes a local option transportation sales tax to allow for crucial investments in state and local roads, transit and bike facilities. H.B. 362 helps to preserve Utah's current infrastructure and accommodate projected population growth. There are two main provisions in the bill:

1. Gas Tax Reform and Increase: changes the state gas tax from the current 24.5 cents per gallon to a percentage

- Effective January 1, 2016, the bill converts the current 24.5 cents per gallon (cpg) state gas tax to a 12 percent tax. This is the equivalent of an immediate 4.9 cpg increase.
- Just like any sales tax, as the price of fuel changes, the amount of revenue would change. This helps to address the decline in buying power of the cpg tax. Due to inflation, the tax has lost 40 percent of its buying power since 1997 (effectively making a 24.5 cpg tax in 1997 worth only 14.7 cpg in 2015).
- To limit potential price volatility there would be a floor and a fixed ceiling set on the tax so that it could not go below or above certain levels.

2. Local Option Transportation Sales Tax: give local communities a tool to address their needs

- Counties are authorized to enact a 0.25 percent general sales tax for transportation after voter approval. This is the equivalent of one penny for every four dollars spent.
- In areas with transit service, the funds would be allocated as follows:
 - 0.10 percent to the transit provider
 - 0.10 percent to cities, towns and unincorporated county areas
 - 0.05 percent to the county
- In areas without transit service, the funds would be allocated as follows:
 - 0.10 percent to cities, towns and unincorporated county areas
 - 0.15 percent to the county

Benefits of H.B. 362

A well-functioning and well-maintained transportation system benefits all Utahns. This comprehensive approach to transportation will improve air quality, support a vibrant economy, and enhance overall quality of life.

- **Real Reform** – H.B. 362 converts the cpg tax to a percentage so that the buying power of the tax keeps pace with inflation.
- **Rural Needs** – Gives the Utah Department of Transportation funding for bridges and rural state roads with the state portion of the gas tax increase.
- **Clean Air** – Allows for additional transit service and local improvements to bike and pedestrian infrastructure that would reduce approximately 33,000 car trips per day and prevent 200 tons of emissions.
- **Local Needs** – Provides cities and counties tools to address their transportation needs.
- **Provides Choices** – By providing funding for roads, transit and biking, the bill will help to maintain the current infrastructure and provide transportation choices as the population continues to rapidly grow.