



# TSITE Summer Meeting

## August 2, 2019

# IMPROVE-Act

# today

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# Introduction

- IMPROVE-Act took effect July 1, 2017
- State's tax on gasoline was 21.4 cents per gallon
- July 1, 2019 - 27.4 cents per gallon
- Diesel taxes were 18.4 cents per gallon
- July 1, 2019 - 28.4 cents per gallon

- Additional \$5 per vehicle for registration fees. Private and commercial motor vehicles used to transport passengers additional \$10 each vehicle. Heavy trucks \$20 more for registration
- Electric vehicles additional \$100 registration and renewal fee
- Tax on liquefied natural gas and compressed natural gas has increased 8 cents

# 2016 TN Gasoline Tax Budget

- Gas tax revenue for FY 2016 was \$657,787,157
- Each penny is worth about \$32.9 million per year

# How the tax is divided (2016- 2017 budget)

- 7.9 cents, or \$249.5 million, goes to cities and counties
- 0.7 cents, or \$23.1 million, goes to the State General Fund
- 12.8 cents, or \$404.1 million, goes to TDOT

(all above figures approximate due to rounding)

# TDOT Mission

The \$404.1 million is included in TDOT's total state revenue of \$844,556,000 and is used in three basic ways to accomplish TDOT's mission:

- Resurfacing, bridges, major reconstruction, new construction, consultant contracts, right-of-way purchases, and to match federal funds
- Highway maintenance contracts
- Basic operating costs



# Gas tax revenue for FY14 – FY18

FY 2014 YTD	FY 2015 YTD	FY 2016 YTD	FY 2014- FY 2015 \$ Change	FY14-15 % Change	FY15-16 \$ Change	FY 15-16 % Change	TDOT Portion
619,704,525.85	627,139,941.59	657,787,156.91	7,435,415.74	1.20%	30,647,215.32	4.89%	\$397,210,516.00
FY 2015 YTD	FY 2016 YTD	FY 2017 YTD	FY 2015- FY 2016 \$ Change	FY15-16 % Change	FY16-17 \$ Change	FY 16-17 % Change	TDOT Portion
627,139,941.59	657,787,156.91	670,096,304.68	30,647,215.32	4.89%	12,309,147.77	1.87%	\$402,429,760.00
FY 2016 YTD	FY 2017 YTD	FY 2018 YTD	FY 2016- FY 2017 \$ Change	FY16-17 % Change	FY17-18 \$ Change	FY 17-18 % Change	TDOT Portion
657,787,156.91	670,096,304.68	799,806,455.95	12,309,147.77	1.87%	129,710,151.27	19.36%	\$486,946,753.00

# Gas tax Department of Transportation for FY08 – FY19

FY	Tax Source	Highway Fund	Sinking Fund	TDOT Portion	TDOT % of Total Collections	Total Collections		Amount Generated by Each 1 Cent
FY 19 est	Gasoline Tax (25 cents)	\$ 430,600,000	\$ 80,200,000	\$ 510,800,000	60.16%	\$ 849,000,000		\$ 33,960,000
FY 18	Gasoline Tax (24 cents)	\$ 403,146,753	\$ 83,800,000	\$ 486,946,753	60.25%	\$ 808,198,860	(2)	\$ 33,674,952
FY 17	Gasoline Tax (20 cents)	\$ 310,329,760	\$ 92,100,000	\$ 402,429,760	60.23%	\$ 668,159,409	(2)	\$ 33,407,970
FY 16	Gasoline Tax (20 cents)	\$ 308,135,516	\$ 89,075,000	\$ 397,210,516	60.16%	\$ 660,213,797	(2)	\$ 33,010,690
FY 15	Gasoline Tax (20 cents)	\$ 291,691,201	\$ 88,708,333	\$ 380,399,534	60.20%	\$ 631,888,135	(2)	\$ 31,594,407
FY 14	Gasoline Tax (20 cents)	\$ 262,019,323	\$ 108,225,000	\$ 370,244,323	60.00%	\$ 617,045,653	(2)	\$ 30,852,283
FY 13	Gasoline Tax (20 cents)	\$ 264,317,910	\$ 107,250,000	\$ 371,567,910	60.29%	\$ 616,297,656	(2)	\$ 30,814,883
FY 12	Gasoline Tax (20 cents)	\$ 265,597,298	\$ 107,000,000	\$ 372,597,298	60.29%	\$ 617,991,500		\$ 30,899,575
FY 11	Gasoline Tax (20 cents)	\$ 267,539,687	\$ 108,100,000	\$ 375,639,687	60.17%	\$ 624,276,300		\$ 31,213,815
FY 10	Gasoline Tax (20 cents)	\$ 255,356,939	\$ 110,216,667	\$ 365,573,606	60.05%	\$ 608,802,200		\$ 30,440,110
FY 09	Gasoline Tax (20 cents)	\$ 273,501,555	\$ 90,508,333	\$ 364,009,889	60.54%	\$ 601,270,253	(2)	\$ 30,063,513
FY 08	Gasoline Tax (20 cents)	\$ 286,810,289	\$ 85,125,000	\$ 371,935,289	60.27%	\$ 617,080,800		\$ 30,854,040
FY 19 est	Motor Fuel Tax (24 cents)			\$ 183,800,000	72.31%	\$ 254,200,000		\$ 10,591,667
FY 18	Motor Fuel Tax (21 cents)			\$ 162,306,568	72.69%	\$ 223,295,842	(2)	\$ 10,633,135
FY 17	Motor Fuel Tax (17 cents)			\$ 128,969,814	72.71%	\$ 177,386,173	(2)	\$ 10,434,481
FY 16	Motor Fuel Tax (17 cents)			\$ 124,570,267	72.09%	\$ 172,789,623	(2)	\$ 10,164,095
FY 15	Motor Fuel Tax (17 cents)			\$ 118,800,466	71.24%	\$ 166,766,180	(2)	\$ 9,809,775
FY 14	Motor Fuel Tax (17 cents)			\$ 116,963,404	72.01%	\$ 162,427,871	(2)	\$ 9,554,581
FY 13	Motor Fuel Tax (17 cents)			\$ 112,608,954	71.76%	\$ 156,935,337	(2)	\$ 9,231,490
FY 12	Motor Fuel Tax (17 cents)			\$ 115,728,836	72.00%	\$ 160,739,900		\$ 9,455,288
FY 11	Motor Fuel Tax (17 cents)			\$ 113,683,714	71.77%	\$ 158,409,300		\$ 9,318,194
FY 10	Motor Fuel Tax (17 cents)			\$ 110,766,569	71.89%	\$ 154,082,800		\$ 9,063,694
FY 09	Motor Fuel Tax (17 cents)			\$ 111,064,606	71.74%	\$ 154,820,396	(2)	\$ 9,107,082
FY 08	Motor Fuel Tax (17 cents)			\$ 131,510,800	71.89%	\$ 182,938,900		\$ 10,761,112



# Brief Summary

The chart above shows the totals of the Gasoline Tax and the percentage growth and change

- From FY 14-15, there was an increase of 1.20%
- From FY 15-16, there was an increase of 4.89%
- From FY 16-17, there was an increase of 1.87%
- From FY 17-18, there was an increase of 19.36%
- \*TDOT is estimated to receive \$510,800,000.00 FY 19

This exponential growth is showing how fast our economy has grown and continues to grow

# Starting July 1, 2019

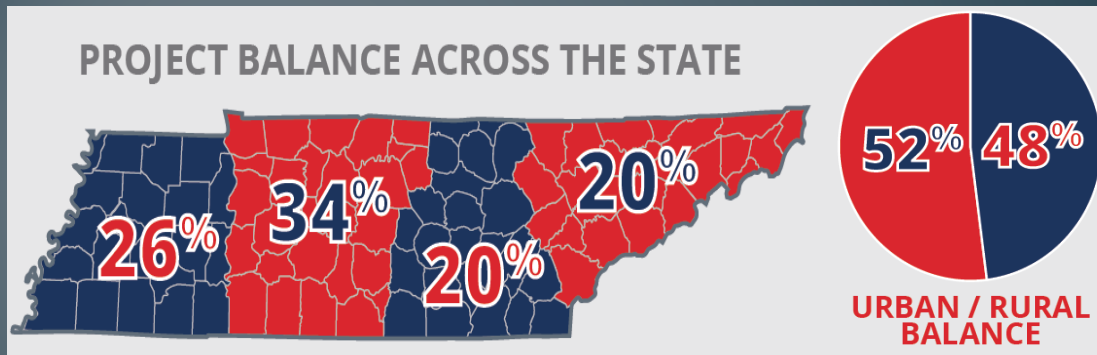
<p><b>Special Tax</b> - A special tax is imposed on all petroleum products. This is paid in addition to all other required motor fuel taxes/fees.</p>	<p>20th day of the month following the month of activity</p>	<p>\$0.01 per gallon</p>
<p><b>Environmental Assurance Fee</b> - An environmental assurance fee is imposed on all petroleum products. This is paid in addition to all other required motor fuel taxes/fees.</p>	<p>20th day of the month following the month of activity</p>	<p>\$0.004 per gallon</p>
<p><b>Gasoline Tax</b> - A tax is imposed on gasoline, fuel alcohol and substitutes when first imported into or sold/distributed in Tennessee.</p>	<p>20th day of the month following the month of activity</p>	<ul style="list-style-type: none"> <li>- \$0.20 per gallon until June 30, 2017</li> <li>- \$0.24 from July 1, 2017 to June 30, 2018</li> <li>- \$0.25 from July 1, 2018 to June 30, 2019</li> <li>- \$0.26 from July 1, 2019 and after</li> </ul>
<p><b>Diesel Tax</b> - A tax is imposed on diesel fuel when it crosses the terminal rack or upon import from a facility below the terminal bulk system.</p>	<p>20th day of the month following the month of activity</p>	<p>Clear diesel and dyed diesel used by a common carrier to transport:</p> <ul style="list-style-type: none"> <li>- \$0.17 per gallon until June 30, 2017</li> <li>- \$0.21 from July 1, 2017 to June 30, 2018</li> <li>- \$0.24 from July 1, 2018 to June 30, 2019</li> <li>- \$0.27 from July 1, 2019 and after</li> </ul> <p>Dyed diesel: tax exempt from motor fuel tax if used off road (but subject to sales/use tax)</p>

# Starting July 1, 2019 (Continued)

<p><b>Liquefied Gas Tax</b> - A use tax is imposed on liquefied gas used for the propulsion of motor vehicles on the public highways of this state.</p>	<p>Users file a report on or before July 25 each year. Dealers file a report on the 25th day of April, July, October and January.</p>	<ul style="list-style-type: none"> <li>- \$0.14 per gallon until June 30, 2017</li> <li>- \$0.17 from July 1, 2017 to June 30, 2018</li> <li>- \$0.19 from July 1, 2018 to June 30, 2019</li> <li>- \$0.22 from July 1, 2019 and after</li> </ul>
<p><b>Compressed Natural Gas Tax</b> - A use tax is imposed on compressed natural gas used for the propulsion of motor vehicles on the public highways of this state.</p>	<p>25th day of the month following the month of activity</p>	<ul style="list-style-type: none"> <li>- \$0.13 per gallon until June 30, 2017</li> <li>- \$0.16 from July 1, 2017 to June 30, 2018</li> <li>- \$0.18 from July 1, 2018 to June 30, 2019</li> <li>- \$0.21 from July 1, 2019 and after</li> </ul>
<p><b>Export Tax</b> - A tax is imposed on all petroleum products subject to the Special Tax that are stored in Tennessee and subsequently exported to points outside of Tennessee. This tax is paid in lieu of the Special Tax.</p>	<p>20th day of the month following the month of activity</p>	<p>1/20th of \$0.01 per gallon (If the \$0.01 Special Tax has already been paid, then 19/20th of \$0.01 per gallon of the special privilege tax may be credited on a monthly return, or alternatively, refunded.)</p>

# Original IA Project Estimated Cost to Complete

- 962 projects totaling \$10,507,484,522



# IA Project Status as 3-28-2019

IA Phases	IA Underway	%	\$ IA Underway
PE Phase:	278	28.90%	\$31,412,405.74
ROW Phase:	59	6.13%	\$823,182.04
Construction Phase:	58	6.03%	\$874,545,225.50
Construction Completed:	30	3.12%	
Projects Under Development:	425	44.18%	\$906,780,813.28
Not Yet Under Development	537	55.82%	
<b>Total Projects:</b>	<b>962</b>	<b>100.00%</b>	

\*962 Projects, some projects have been broken into multiple segments

*PE Estimate	\$299,813,838
*ROW Estimate	\$1,114,875,587
*Construction Estimate	\$10,583,827,859
*Total Estimate	\$11,998,517,284
*March 28, 2019 Estimates	

This results in a **\$1,491,032,762.00** estimated cost increase



# Legislative Projects Let from 2014 to 2018

<u>Region</u>	<u>Number of Projects</u>	<u>Budget Amount</u>	<u>Award Amount</u>	<u>% of Increase</u>
1	14	\$226,000,000	\$302,971,016.93	34
2	15	\$348,500,000	\$422,416,961.95	21
3	31	\$679,200,000	\$807,604,624.73	19
4	16	\$365,500,000	\$440,841,012.34	21
Total	76	\$1,619,200,000	\$1,973,833,615.95	22

# IA Projects Funded for ROW FY 19

- 1 of 9 or 11% of the projects budgeted for ROW has been authorized. Project delivery goal is 60% of the projects funded for ROW will be authorized by September 30, 2019

# IA Projects Funded for Construction FY 19

- 6 of 18 or 33% of the projects budgeted for Construction has been authorized. Project delivery goal is 80% of the projects funded for Construction and placed in the October 2019 letting

# IA Studies Underway and Completed

- Tech Reports:

15 Complete

42 Active (includes 25 Tech Reports yet to get \$\$ on for this year)

- Bridge TIR:

84 Complete

28 Active (Includes 23 Bridge TIRs yet to get \$\$ on for this year)

This does not include reports that were developed prior to the IA, but only reports we have begun developing since the passing of the IA in the summer of 2017

# New Start Projects

The Department received Fifty Six (56) requests for “New Start” projects and from that list Three (3) projects were selected to move forward

*Thank You!*

*Questions & Comments*





# Contact Information

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