



## Blue Ribbon Committee Funding Recommendations

- A 10-year, phased-in transfer of the existing sales tax currently collected on the sale of new and used vehicles, tires, batteries, and vehicle parts and services, strengthening the road-user-based support of improvements, without raising taxes. Phasing will neutralize the impact to our state's general revenues and, in 10 years, replace funding provided by the temporary ½-cent sales tax currently dedicated to highway construction and maintenance.
- Indexing the current per-gallon tax on motor fuels to Arkansas's Highway Construction Cost Index. Per-gallon motor fuel taxes are a declining revenue source due to the combination of inflation, conservation, greater fuel efficiency, technology (hybrid and electric vehicles), and the increasing cost of fuel. Indexing allows elasticity and protects buying power currently being eroded by construction cost inflation.
- Implementing a new excise tax on the wholesale price of motor fuels. This percentage-based levy, used by many states, provides a new revenue stream and, with its elasticity, a better hedge against inflation than consumption-based sources.
- Allowing the citizens to vote on a temporary, 10-year, ½¢ general sales tax dedicated to a statewide, bond-financed highway improvement program. **PASSED**
- Authorizing, by public vote, the reissuance of GARVEE bonds to improve our Interstates using the revenue stream already in place for that purpose. **PASSED**
- Creating a new State Aid City Street Program. **PASSED**