



# PUBLIC INTEREST INSTITUTE FACT SHEET

Number 12-01

August 29, 2012

## Impact of the Proposed Ten Cent Motor Vehicle Fuel Tax Increase on Farm-to-Market Roads In Iowa Counties

FM Road fund allocation - Current		FM Road fund allocation with Fuel Tax Increase	
Est. amount for FY13 ->		Est. amount for FY13 ->	
\$81,160,000		\$99,560,000	
8% of RUTF - no TIME-21		8% of RUTF - no TIME-21	
Counties			Amount Increased
Name			
Adair	\$636,783	\$781,150	\$144,367
Adams	\$495,123	\$607,372	\$112,249
Allamakee	\$829,411	\$1,017,449	\$188,038
Appanoose	\$672,409	\$824,853	\$152,444
Audubon	\$564,463	\$692,434	\$127,971
Benton	\$1,068,682	\$1,310,965	\$242,283
Black Hawk	\$1,012,042	\$1,241,485	\$229,443
Boone	\$864,388	\$1,060,356	\$195,968
Bremer	\$682,354	\$837,052	\$154,698
Buchanan	\$952,404	\$1,168,326	\$215,922
Buena Vista	\$782,032	\$959,328	\$177,296
Butler	\$857,684	\$1,052,131	\$194,447
Calhoun	\$719,450	\$882,558	\$163,108
Carroll	\$825,267	\$1,012,366	\$187,099
Cass	\$639,479	\$784,457	\$144,978
Cedar	\$876,637	\$1,075,382	\$198,745
Cerro Gordo	\$851,648	\$1,044,727	\$193,079
Cherokee	\$765,332	\$938,842	\$173,510
Chickasaw	\$688,040	\$844,028	\$155,988
Clarke	\$504,116	\$618,406	\$114,290
Clay	\$783,687	\$961,359	\$177,672
Clayton	\$1,034,671	\$1,269,244	\$234,573
Clinton	\$999,821	\$1,226,493	\$226,672
Crawford	\$850,113	\$1,042,844	\$192,731
Dallas	\$938,529	\$1,151,306	\$212,777
Davis	\$671,210	\$823,382	\$152,172
Decatur	\$718,251	\$881,087	\$162,836
Delaware	\$900,276	\$1,104,381	\$204,105
Des Moines	\$709,483	\$870,332	\$160,849
Dickinson	\$565,369	\$693,545	\$128,176
Dubuque	\$1,183,333	\$1,451,609	\$268,276
Emmet	\$477,961	\$586,321	\$108,360
Fayette	\$978,482	\$1,200,317	\$221,835
Floyd	\$717,673	\$880,378	\$162,705
Franklin	\$798,301	\$979,286	\$180,985
Fremont	\$713,868	\$875,711	\$161,843
Greene	\$733,663	\$899,994	\$166,331
Grundy	\$727,246	\$892,122	\$164,876
Guthrie	\$782,612	\$960,040	\$177,428
Hamilton	\$761,243	\$933,826	\$172,583
Hancock	\$743,806	\$912,436	\$168,630
Hardin	\$876,003	\$1,074,604	\$198,601
Harrison	\$895,325	\$1,098,306	\$202,981
Henry	\$730,275	\$895,837	\$165,562
Howard	\$604,773	\$741,883	\$137,110
Humboldt	\$536,962	\$658,698	\$121,736
Ida	\$515,230	\$632,040	\$116,810
Iowa	\$871,582	\$1,069,181	\$197,599

The data shows the additional funding each county in Iowa would receive for Farm-to-Market roads if the Iowa Motor Vehicle Fuel Tax were increased by ten cents per gallon. The increase was calculated using data and formulas from the Iowa Department of Transportation (IDOT). The methodology used is below. The proposed ten cent per gallon increase in the fuel tax would result in a 52 percent increase in the fuel tax to the consumer, but only yields a 23 percent increase in the funding available for Farm-to-Market roads in Iowa, due to the formulas used by the IDOT to allocate fuel tax revenue to cities and counties, and to Farm-to-Market roads.

### Methodology for Farm-to-Market Road Funding Calculations

Based on the data supplied by the Iowa Department of Transportation, the current estimated FY13 Farm-to-Market Road Fund Allocation is \$81,160,000. This is based on 8 percent of the total Road Use Tax Fund available for distribution. The proposal from the Governor's Office is for a ten cent increase in the Motor Vehicle Fuel Tax. Based on a table from the Department of Transportation, they expect \$443.8 million to be collected in Fuel Taxes under the current law.<sup>1</sup> The ten cent increase

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\$81,160,000		\$99,560,000	
8% of RUTF - no TIME-21		8% of RUTF - no TIME-21	
Counties			Amount Increased
Name			
Jackson	\$926,417	\$1,136,447	\$210,030
Jasper	\$1,161,667	\$1,425,031	\$263,364
Jefferson	\$636,419	\$780,703	\$144,284
Johnson	\$1,361,716	\$1,670,435	\$308,719
Jones	\$835,818	\$1,025,308	\$189,490
Keokuk	\$722,956	\$886,860	\$163,904
Kossuth	\$1,301,559	\$1,596,639	\$295,080
Lee	\$885,750	\$1,086,561	\$200,811
Linn	\$1,513,846	\$1,857,056	\$343,210
Louisa	\$580,535	\$712,150	\$131,615
Lucas	\$500,559	\$614,042	\$113,483
Lyon	\$881,933	\$1,081,879	\$199,946
Madison	\$817,401	\$1,002,716	\$185,315
Mahaska	\$784,866	\$962,805	\$177,939
Marion	\$977,840	\$1,199,529	\$221,689
Marshall	\$914,781	\$1,122,173	\$207,392
Mills	\$736,675	\$903,689	\$167,014
Mitchell	\$666,935	\$818,137	\$151,202
Monona	\$849,764	\$1,042,417	\$192,653
Monroe	\$552,285	\$677,495	\$125,210
Montgomery	\$583,933	\$716,318	\$132,385
Muscatine	\$786,105	\$964,325	\$178,220
O'Brien	\$768,697	\$942,970	\$174,273
Osceola	\$566,650	\$695,117	\$128,467
Page	\$787,166	\$965,626	\$178,460
Palo Alto	\$685,957	\$841,472	\$155,515
Plymouth	\$1,204,692	\$1,477,811	\$273,119
Pocahontas	\$694,945	\$852,498	\$157,553
Polk	\$1,549,323	\$1,900,575	\$351,252
Pottawattamie	\$1,657,215	\$2,032,928	\$375,713
Poweshiek	\$740,179	\$907,986	\$167,807
Ringgold	\$641,304	\$786,696	\$145,392
Sac	\$776,064	\$952,007	\$175,943
Scott	\$909,809	\$1,116,074	\$206,265
Shelby	\$749,726	\$919,698	\$169,972
Sioux	\$1,227,302	\$1,505,547	\$278,245
Story	\$965,578	\$1,184,486	\$218,908
Tama	\$962,915	\$1,181,220	\$218,305
Taylor	\$666,669	\$817,811	\$151,142
Union	\$542,313	\$665,262	\$122,949
Van Buren	\$655,263	\$803,820	\$148,557
Wapello	\$720,280	\$883,577	\$163,297
Warren	\$1,054,322	\$1,293,350	\$239,028
Washington	\$903,599	\$1,108,457	\$204,858
Wayne	\$594,302	\$729,038	\$134,736
Webster	\$1,125,692	\$1,380,900	\$255,208
Winnebago	\$491,874	\$603,388	\$111,514
Winneshiek	\$1,025,505	\$1,258,000	\$232,495
Woodbury	\$1,209,411	\$1,483,600	\$274,189
Worth	\$550,777	\$675,645	\$124,868
Wright	\$645,219	\$791,498	\$146,279

will increase the amount of revenue going to this fund. According to a study prepared by the Iowa Department of Transportation for the Iowa Legislature, every one cent increase in the fuel tax will result in an increase of \$23 million in tax revenue.<sup>2</sup> Thus a ten cent increase in the fuel tax will at most result in an increase of \$230 million based on the IDOT study. This results in an increase of fuel tax revenue to \$673.8 million, which in turn will increase the amount of revenue for distribution to Farm-to-Market roads to \$99,560,000. We then applied the Farm-to-Market factors calculated by the IDOT.

Endnotes:

<sup>1</sup> Iowa Department of Transportation, Fiscal Year 2012 Transportation Funding Chart, <<http://www.iowadot.gov/recovery/pdfs/FY%202013%20Transportation%20Funding%20Pipeline%20chart.pdf>> accessed on August 29, 2012.

<sup>2</sup> Iowa Department of Transportation, 2011 Road Use Tax Fund (RUTF) Study: A report to the Iowa Legislature, 2011 Iowa Code Section 307.31, December 30, 2011, p. 49.

Contacts: Jennifer L. Crull, Amy K. Frantz, and John R. Hendrickson

Public.Interest.Institute@LimitedGovernment.org

Phone: 319-385-3462

Fax: 319-385-3799