



# PUBLIC INTEREST INSTITUTE

## FACT SHEET

Number 15-01

January 2015

### 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 FY15 -> \$83,970,000		Est. amount for FY15 -> \$102,370,000	
8% of RUTF - no TIME-21		8% of RUTF - no TIME-21	
Counties			Amount Increased
Name			
Adair	\$660,320	\$805,013	\$144,693
Adams	\$511,198	\$623,214	\$112,016
Allamakee	\$857,499	\$1,045,400	\$187,901
Appanoose	\$695,626	\$848,055	\$152,429
Audubon	\$583,723	\$711,632	\$127,909
Benton	\$1,106,345	\$1,348,773	\$242,428
Black Hawk	\$1,056,111	\$1,287,533	\$231,422
Boone	\$893,230	\$1,088,959	\$195,729
Bremer	\$697,772	\$850,672	\$152,900
Buchanan	\$986,331	\$1,202,462	\$216,131
Buena Vista	\$807,760	\$984,761	\$177,001
Butler	\$880,606	\$1,073,570	\$192,964
Calhoun	\$759,731	\$926,207	\$166,476
Carroll	\$846,104	\$1,031,507	\$185,403
Cass	\$656,005	\$799,753	\$143,748
Cedar	\$906,562	\$1,105,213	\$198,651
Cerro Gordo	\$884,725	\$1,078,591	\$193,866
Cherokee	\$790,515	\$963,738	\$173,223
Chickasaw	\$712,288	\$868,368	\$156,080
Clarke	\$518,554	\$632,182	\$113,628
Clay	\$813,954	\$992,312	\$178,358
Clayton	\$1,066,672	\$1,300,408	\$233,736
Clinton	\$1,032,908	\$1,259,244	\$226,336
Crawford	\$875,781	\$1,067,688	\$191,907
Dallas	\$965,759	\$1,177,381	\$211,622
Davis	\$693,984	\$846,054	\$152,070
Decatur	\$736,468	\$897,847	\$161,379
Delaware	\$925,711	\$1,128,559	\$202,848
Des Moines	\$733,153	\$893,805	\$160,652
Dickinson	\$585,101	\$713,312	\$128,211
Dubuque	\$1,241,796	\$1,513,906	\$272,110
Emmet	\$493,782	\$601,981	\$108,199
Fayette	\$1,006,328	\$1,226,840	\$220,512
Floyd	\$747,738	\$911,587	\$163,849
Franklin	\$823,362	\$1,003,782	\$180,420
Fremont	\$737,013	\$898,511	\$161,498
Greene	\$757,045	\$922,933	\$165,888
Grundy	\$759,776	\$926,263	\$166,487
Guthrie	\$808,430	\$985,578	\$177,148
Hamilton	\$787,213	\$959,712	\$172,499
Hancock	\$768,546	\$936,954	\$168,408
Hardin	\$900,288	\$1,097,565	\$197,277
Harrison	\$924,543	\$1,127,134	\$202,591
Henry	\$754,161	\$919,417	\$165,256
Howard	\$627,614	\$765,140	\$137,526
Humboldt	\$554,750	\$676,310	\$121,560
Ida	\$532,464	\$649,140	\$116,676
Iowa	\$900,464	\$1,097,779	\$197,315

The lower prices drivers have seen recently for gasoline and diesel fuel have led supporters of an increase in Iowa's Motor Vehicle Fuel Tax to believe that the timing is right to push through the tax increase in the 2015 Legislative Session. While many ideas have been discussed for raising additional revenue for Iowa's roads, the most prevalent is a ten cent increase in the state's Motor Vehicle Fuel Tax.

One argument in support of this increase in the fuel tax is to help fix rural roads and bridges, including those used to bring agricultural products to locations where those products are sold, known as Farm-to-Market roads, which are under the jurisdiction of each county in Iowa.

The data in this FACT SHEET 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 22 percent increase in the funding available for Farm-to-Market roads in Iowa, due to the formulas

FM Road fund allocation - Current		FM Road fund allocation with Fuel Tax Increase	
Est. amount for FY15 ->		Est. amount for FY15 ->	
\$83,970,000		\$102,370,000	
8% of RUTF - no TIME-21		8% of RUTF - no TIME-21	
Counties			Amount Increased
Name			
Jackson	\$962,209	\$1,173,053	\$210,844
Jasper	\$1,199,196	\$1,461,971	\$262,775
Jefferson	\$691,789	\$843,378	\$151,589
Johnson	\$1,406,511	\$1,714,715	\$308,204
Jones	\$860,386	\$1,048,919	\$188,533
Keokuk	\$746,660	\$910,273	\$163,613
Kossuth	\$1,346,431	\$1,641,469	\$295,038
Lee	\$917,250	\$1,118,243	\$200,993
Linn	\$1,596,187	\$1,945,954	\$349,767
Louisa	\$601,795	\$733,664	\$131,869
Lucas	\$517,247	\$630,589	\$113,342
Lyon	\$910,685	\$1,110,239	\$199,554
Madison	\$842,726	\$1,027,389	\$184,663
Mahaska	\$810,645	\$988,278	\$177,633
Marion	\$1,009,640	\$1,230,878	\$221,238
Marshall	\$943,069	\$1,149,719	\$206,650
Mills	\$763,796	\$931,164	\$167,368
Mitchell	\$689,113	\$840,115	\$151,002
Monona	\$875,244	\$1,067,033	\$191,789
Monroe	\$570,577	\$695,605	\$125,028
Montgomery	\$601,520	\$733,329	\$131,809
Muscatine	\$812,906	\$991,035	\$178,129
O'Brien	\$794,413	\$968,489	\$174,076
Osceola	\$585,202	\$713,435	\$128,233
Page	\$801,769	\$977,458	\$175,689
Palo Alto	\$712,745	\$868,926	\$156,181
Plymouth	\$1,245,033	\$1,517,852	\$272,819
Pocahontas	\$717,320	\$874,503	\$157,183
Polk	\$1,610,072	\$1,962,880	\$352,808
Pottawattamie	\$1,699,143	\$2,071,470	\$372,327
Poweshiek	\$767,943	\$936,220	\$168,277
Ringgold	\$661,104	\$805,969	\$144,865
Sac	\$809,356	\$986,706	\$177,350
Scott	\$940,942	\$1,147,127	\$206,185
Shelby	\$775,277	\$945,160	\$169,883
Sioux	\$1,264,708	\$1,541,840	\$277,132
Story	\$998,548	\$1,217,356	\$218,808
Tama	\$993,594	\$1,211,316	\$217,722
Taylor	\$690,157	\$841,388	\$151,231
Union	\$562,910	\$686,258	\$123,348
Van Buren	\$682,429	\$831,966	\$149,537
Wapello	\$772,108	\$941,296	\$169,188
Warren	\$1,083,508	\$1,320,933	\$237,425
Washington	\$935,678	\$1,140,709	\$205,031
Wayne	\$613,312	\$747,705	\$134,393
Webster	\$1,163,570	\$1,418,539	\$254,969
Winnebago	\$507,465	\$618,663	\$111,198
Winneshiek	\$1,057,860	\$1,289,665	\$231,805
Woodbury	\$1,248,524	\$1,522,108	\$273,584
Worth	\$567,740	\$692,147	\$124,407
Wright	\$666,179	\$812,156	\$145,977

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 FY15 Farm-to-Market Road Fund Allocation is \$83,970,000. This is based on 8 percent of the total Road Use Tax Fund available for distribution. The ten cent increase 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>1</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, which in turn will increase the amount of revenue for distribution to Farm-to-Market roads to \$102,370,000. We then applied the Farm-to-Market factors calculated by the IDOT.

Endnote:

<sup>1</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.

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