

## Comparison of Governor's Gasoline Sales Tax/Excise Tax Swap and Senate Leadership's Proposal

	Current Law	Governor's Proposal	Senate Leadership's Proposal
<p><b>Sales Tax on Gasoline</b></p> <p>FY 2010-11 estimate: \$2.5 billion</p>	<p>Funds split between Proposition 42 and the PTA</p> <p>In FY 2010-11, PTA would get:</p> <ul style="list-style-type: none"> <li>- \$897 M in <i>Spillover</i></li> <li>- \$61 M from sales tax on the first 9-cents of the excise tax.</li> </ul> <p>Distribute remainder (\$1.6 B) to Proposition 42 as follows:</p> <ul style="list-style-type: none"> <li>o STIP: \$629 M (40%)</li> <li>o LSR: \$629 M (40%)</li> <li>o PTA: \$314 M (20%)</li> </ul> <p><b>Total revenue: \$2.5 billion</b> <b>PTA: \$1.3 billion</b></p>	<p>Replace with a 10.8 cent per gallon gasoline user fee, with amount increasing annually until reaching a total gasoline excise tax of 33.9 cents/gallon in 2021.</p> <p>Reduces taxes at the pump by 6-cents per gallon (LAO estimate)</p> <p>Distribute new fee as follows:</p> <ul style="list-style-type: none"> <li>o Debt service: \$603M</li> <li>o STIP: \$629 M (50%)</li> <li>o LSR: \$629 M (50%)</li> </ul> <p><b>Total revenue: \$1.9 billion</b> <b>PTA Funding: Eliminated</b></p>	<p>Replace with an 18-cent per gallon excise tax or user fee on gasoline. Amount would be adjusted every year to keep pace with projected Proposition 42 revenue.</p> <p>Aims to keep taxes at the pump the same.</p> <p>Distribute new fee as follows:</p> <ul style="list-style-type: none"> <li>o Debt service: \$603 +? M</li> <li>o STIP: \$629 M (50%)</li> <li>o LSR: \$629 M (50%)</li> <li>o SHOPP – future years (30%)</li> </ul> <p><b>Total revenue: \$2.5 billion</b> <b>PTA Funding: Eliminated</b></p>
<p><b>Sales Tax on Diesel</b></p> <p>FY 2010-11 estimate: \$313 million</p>	<p>100% dedicated to PTA:</p> <ul style="list-style-type: none"> <li>o Split 50/50 between State Transit Assistance and other purposes</li> </ul>	<p>Eliminate and replace with a 10.8 cents per gallon excise tax with amount increasing annually until reaching a total diesel excise tax of 33.9 cents/gallon in 2021.</p> <ul style="list-style-type: none"> <li>o Zero PTA funding</li> </ul>	<p>100% dedicated to PTA</p> <ul style="list-style-type: none"> <li>o Distribution undetermined.</li> <li>o Talk of “prioritizing STA” but other state transit obligations, like intercity- and high-speed rail, may crowd out funds for STA.</li> </ul>
<p><b>Regional Gasoline Fee</b></p> <p>Example: A 10-cent per gallon fee in the Bay Area would generate about \$290 million/year in 2010. (Caltrans' forecast)</p>	<p>None</p>	<p>None</p>	<p>New authority for metropolitan planning organizations to adopt a regional gasoline fee (no cap) up to 30 years for mitigation of greenhouse gas emissions. Eligible projects based on those included in an adopted Sustainable Communities Strategy per SB 375 (Steinberg), Statutes of 2008. Authority could be granted to boards or require a majority vote of the electorate.</p>

Acronyms: LSR: Local Streets and Roads, PTA: Public Transportation Account, SHOPP: State Highway Operation and Protection Program, STA: State Transit Assistance, STIP: State Transportation Improvement Program.