



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Commission

DATE: January 19, 2011

FR: Legislation Committee

WI: 1131

RE: Committee Recommendations

The Legislation Committee met on January 14 and referred the following item to the Commission.

- **Comprehensive Transportation Tax Swap Fix**

The comprehensive tax swap fix — embraced by the governor in his proposed FY2011-12 budget — would validate the taxes that were raised as part of the gasoline tax swap that was enacted by the Legislature in 2010 by a two-thirds vote (as required by the passage of Proposition 26). The swap eliminated the sales tax on gasoline and replaced it with an equivalent, and annually adjusted augmentation of the gasoline excise tax, and reduced the diesel excise tax in exchange for raising the sales tax rate on diesel fuel by 1.75 percent. The fix combines legislation with a proposal to shift vehicle weight fees to the General Fund to help pay for transportation bond debt service.

Committee Recommendation: Support the comprehensive transportation tax swap fix.