



Transportation Funding

Message: If the Governor and the Legislature aim to increase revenue to the state's transportation fund, they should look to increasing the current motor vehicle fuel tax and vehicle registration fees. Any increase in taxes or fees should be transparent, reasonable, and done responsibly to limit the impact on small businesses.

Background: Governor Tony Evers has stated more revenue is needed for transportation and that all options should be on the table. The Governor recently convened a 34-member task force to help develop a transportation funding plan to be included in his budget proposal.

Over two meetings, the task force considered the following revenue options: increasing the existing motor vehicle fuel tax and raising vehicle registration fees; applying the state sales tax to motor vehicle fuel; applying a percentage tax to motor vehicle fuel at the wholesale level; tolling; and raising the existing motor vehicle fuel tax while suggesting an "offset" by changing Wisconsin's Unfair Sales Act (aka "minimum mark up law").

Key Points:

- WPMCA members support a strong transportation infrastructure. Our businesses depend on it.
- Any funding solution should be reasonable (modest), easy to administer and transparent (easily explainable) to the consumer. Any suggestion that a tax increase won't be included in the final selling price of the product should be rejected. Past gimmicks have included calls to repeal the unfair sales act and enactment of a so called oil company franchise fee, which we **DO NOT SUPPORT**.
- The current motor vehicle fuel tax is easy for the consumer and retailer to understand; it is completely transparent; and is extremely efficient with virtually all funds collected going to the transportation fund.
- Tolling comes with enormous costs to build the infrastructure and takes years to implement; there would be high diversion rates from the tolled roads onto the local and state highway system, which only increases maintenance costs on those local roads; exit based, small businesses would be negatively impacted by a reduction in traffic visiting their locations causing many to close and impacting the local tax base.

Action Requested: *If the Governor and the State Legislature agree an increase in revenue is needed to the transportation fund, use the current funding sources with the following criteria:*

- *reasonable*
- *easy to administer*
- *transparent/free of gimmicks*