



# What Do Americans Think about Federal Transportation Tax Options?

## Results from a National Survey

Asha Weinstein Agrawal, PhD

Hilary Nixon, PhD

MTI Project 2928

June 2010

SJSU Research Center  
210 N. Fourth St., 4th Floor  
San José, CA 95112  
Tel // 408.924.7560  
Fax // 408.924.7565  
www.transweb.sjsu.edu

*Linking a transportation tax to environmental benefits can significantly increase public support.*

This research brief summarizes the results of a national random-digit-dial survey that explored public support for raising federal transportation revenues through gas, mileage, and sales taxes.

### Board of Trustees

#### Founder

Hon. Norman Y. Mineta

#### Honorary Co-Chairs

Congressman James Oberstar  
Congressman John L. Mica

#### Chair

William W. Millar

#### Vice Chair

Mortimer Downey

#### Executive Director

Hon. Rod Diridon, Sr.

Ronald Barnes  
Rebecca Brewster  
Donald H. Camph  
Thomas Carper  
Anne P. Canby  
Jane Chmielinski  
William Dorey  
Nuria I. Fernandez  
Steve Heminger  
Hon. John Horsley  
Will Kempton  
Brian Macleod  
Hon. Norman Y. Mineta  
Stephanie L. Pinson  
Hans Rat  
Dean David Steele  
Paul A. Tolliver  
Michael S. Townes  
David L. Turney  
Edward Wytkind

### Study Method

A random-digit-dial survey conducted from April 27 to May 22, 2010, tested public support for sales, gas, and mileage taxes that would raise revenue for transportation purposes. Multiple variations on the mileage tax and gas tax concepts were presented, to test relative support levels among the different options. A total of 1,545 adults (18 years or older) completed the survey in either English or Spanish. For the full sample, which included both land-line and cell-phone numbers, the margin of error was plus or minus 2.5 percentage points at the 95% confidence level.

### Findings

Figure 1 shows support levels for the tax options tested. None received majority support, but three did fairly well, with support levels around 40%. The most popular were a 0.5¢ sales tax

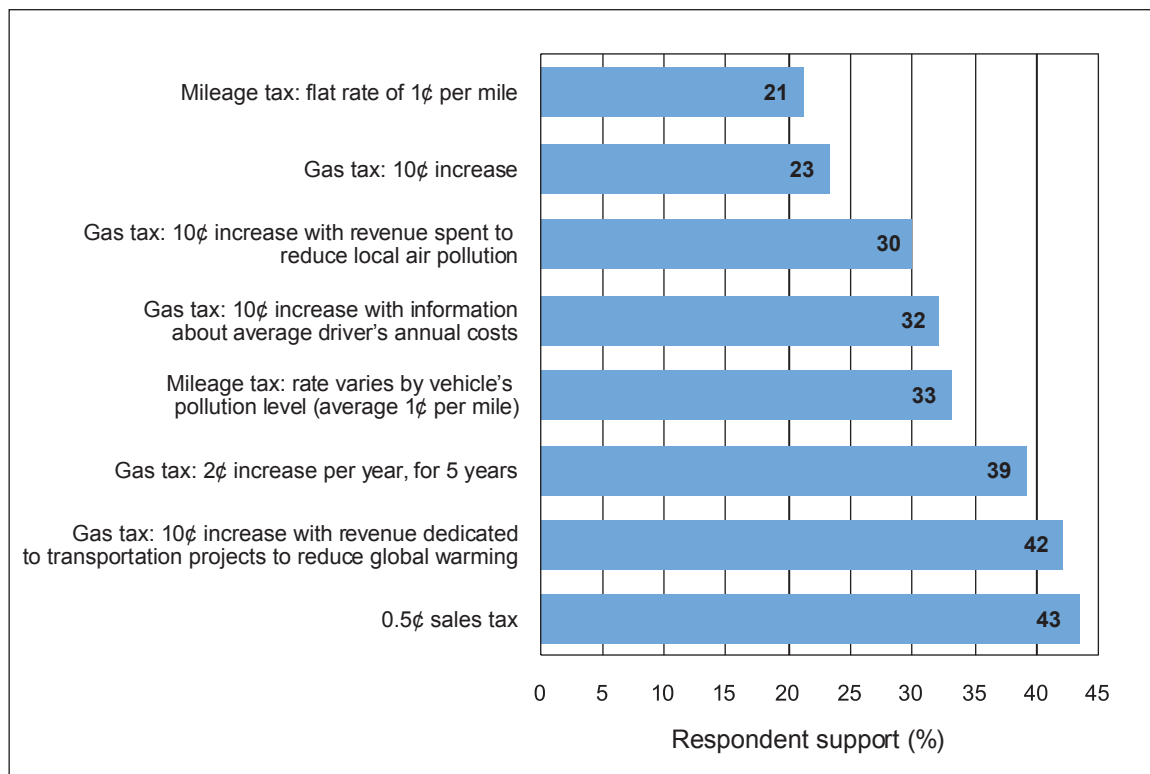


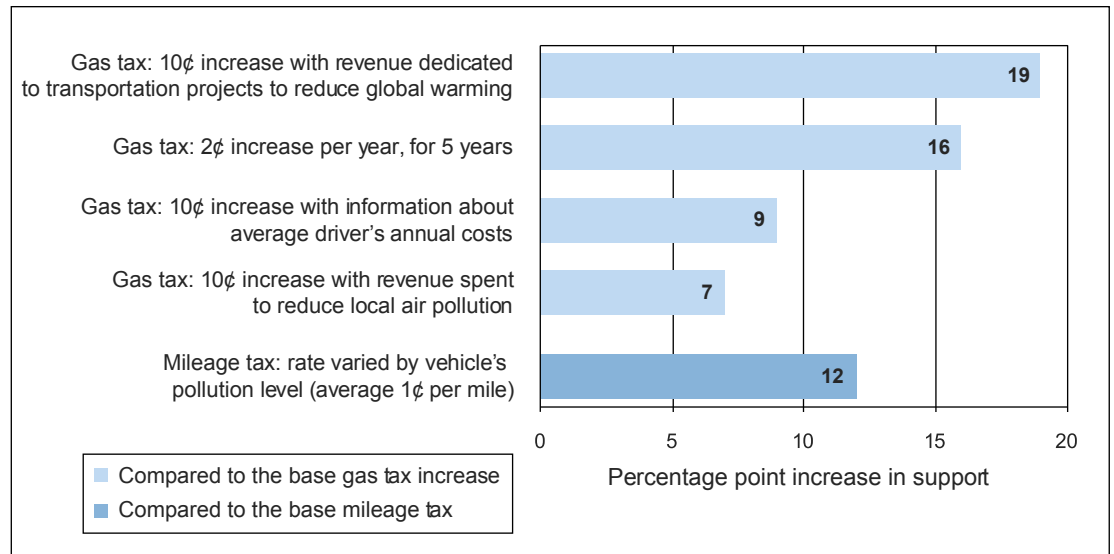
Figure 1. Support levels for the eight tax options surveyed

(43% support), a 10¢ gas tax increase whose revenue would be used for projects to reduce the transportation system’s impact on global warming (42% support), and a 10¢ gas tax increase spread over five years (39% support).

The survey compared public support for alternative versions of the mileage and gas taxes.

The “base” cases tested against alternatives were

a flat-rate mileage tax of 1¢ per mile and a 10¢ gas tax increase with no additional information given. All variants of these base cases increased the level of support, in most cases significantly, as shown in Figure 2. The option of varying the flat-rate (base) mileage tax by the vehicle’s pollution levels increased support by a strong 12 percentage points. For the gas tax, all four variants to the base case increased support as well. Most notably, spreading the gas tax increase over five years increased support by 16 percentage points, and linking the increase to reducing global warming increased support by a full 19 percentage points.



**Figure 2. Support levels rose for modified versions of the “base” gas & mileage tax concepts**

## Policy Recommendations

### Linking a transportation tax to environmental benefits will increase public support.

The survey found that linking a transportation tax to environmental benefits can strongly increase support. Support for the mileage tax rose significantly when the flat-rate tax was converted to a tax with a rate that varied according to the vehicle’s pollution. The increase in support for a gas tax when respondents were told that the revenues would be spent on transportation projects to reduce global warming was even more striking.

### Support for gas taxes can be significantly increased by careful program design.

The survey results also showed that the very low support levels for a one-time gas tax increase can be raised by modifying how the tax is structured and the way it is described. Linking the revenue to environmental benefits is one good option, and spreading the increase over several years is another.

## About the Authors

Dr. Asha Weinstein Agrawal is Director of MTI’s National Transportation Finance Center, and Dr. Hilary Nixon is an Assistant Professor in the Department of Urban and Regional Planning at San José State University.

## To Learn More

For more details about the study, download the full report at [transweb.sjsu.edu/project/2928.html](http://transweb.sjsu.edu/project/2928.html)