

User Access Fee Fiscal Projections

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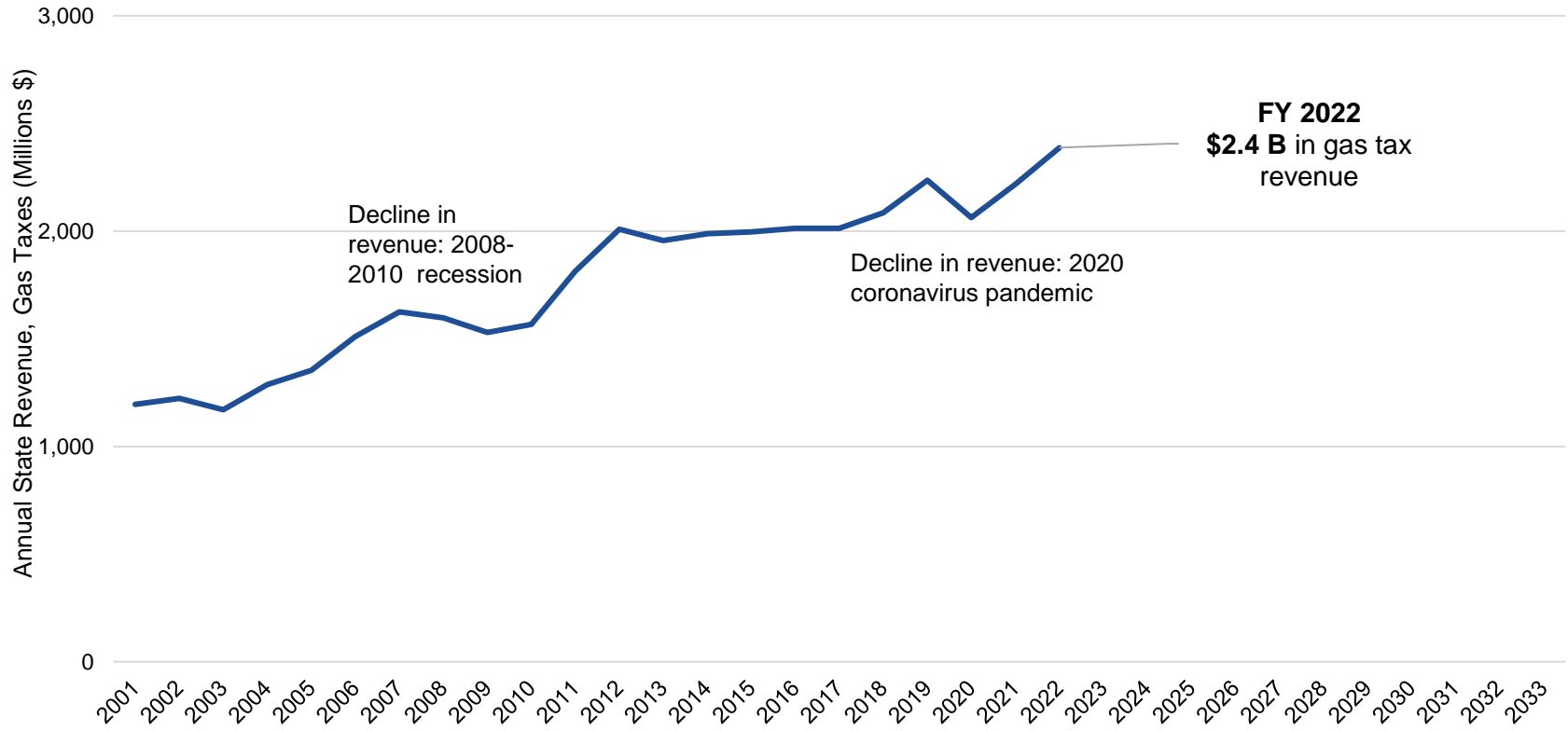


Access User Fee Concept: Projected Fiscal Impact

- NCDOT projects over \$3B in annual revenue from gas taxes by 2033.
 - Based on population growth, continued increase in VMT and congestion
- Future vehicle efficiency and rates of EV adoption could account for **+/-10% variance** (\$2.7B to \$3.3B) in annual revenue by 2033.
 - This means a potential revenue variance of **+/- \$1.5 billion** over a 5-year period.
- Historic gas tax revenue: volatile, impacted by recessions, pandemic
 - Future scenarios need to take this variability in to account
- Access user fee concept within upper range of projected annual gas tax revenue

Historic Revenue from Motor Fuels Taxes

Historic recessions & disruptions drove volatility in state gas tax revenue.

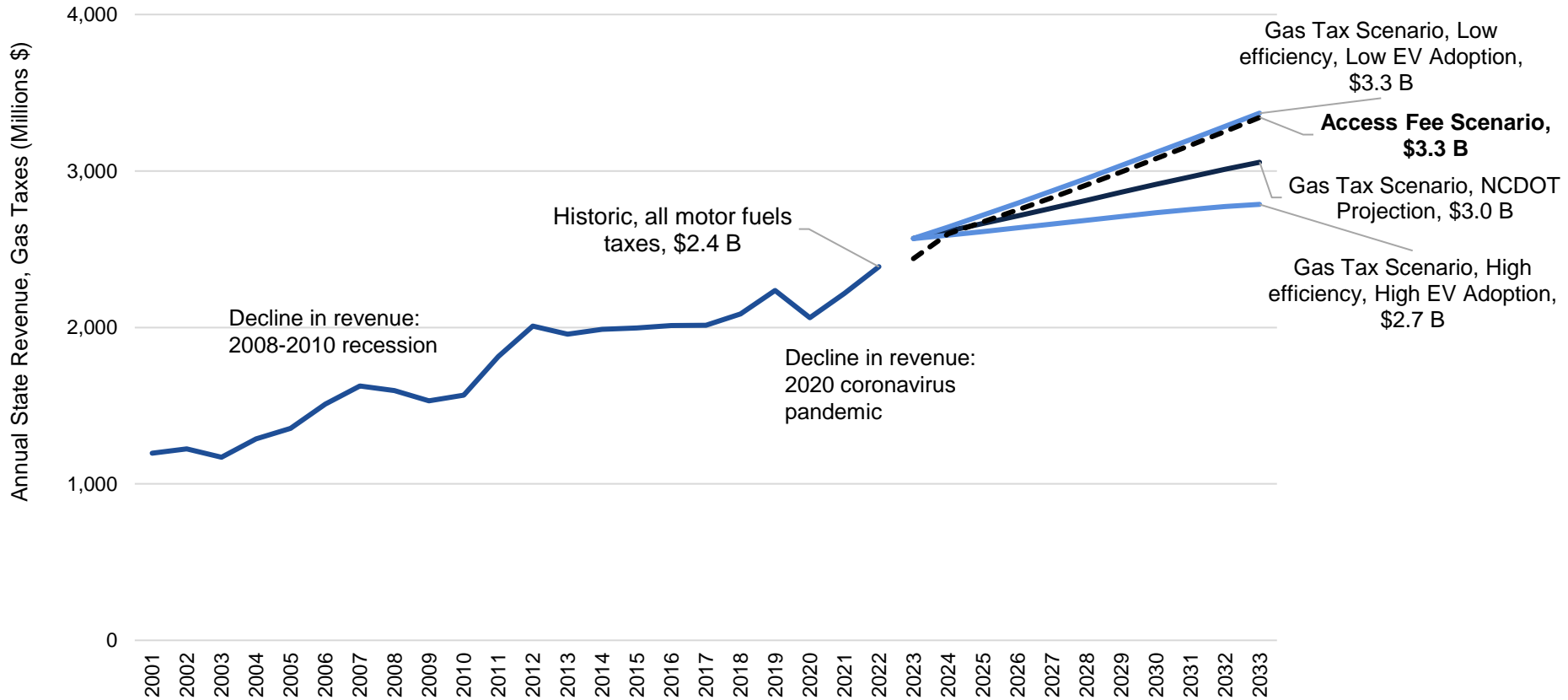


FY 2022
\$2.4 B in gas tax revenue

Decline in revenue: 2008-2010 recession

Decline in revenue: 2020 coronavirus pandemic

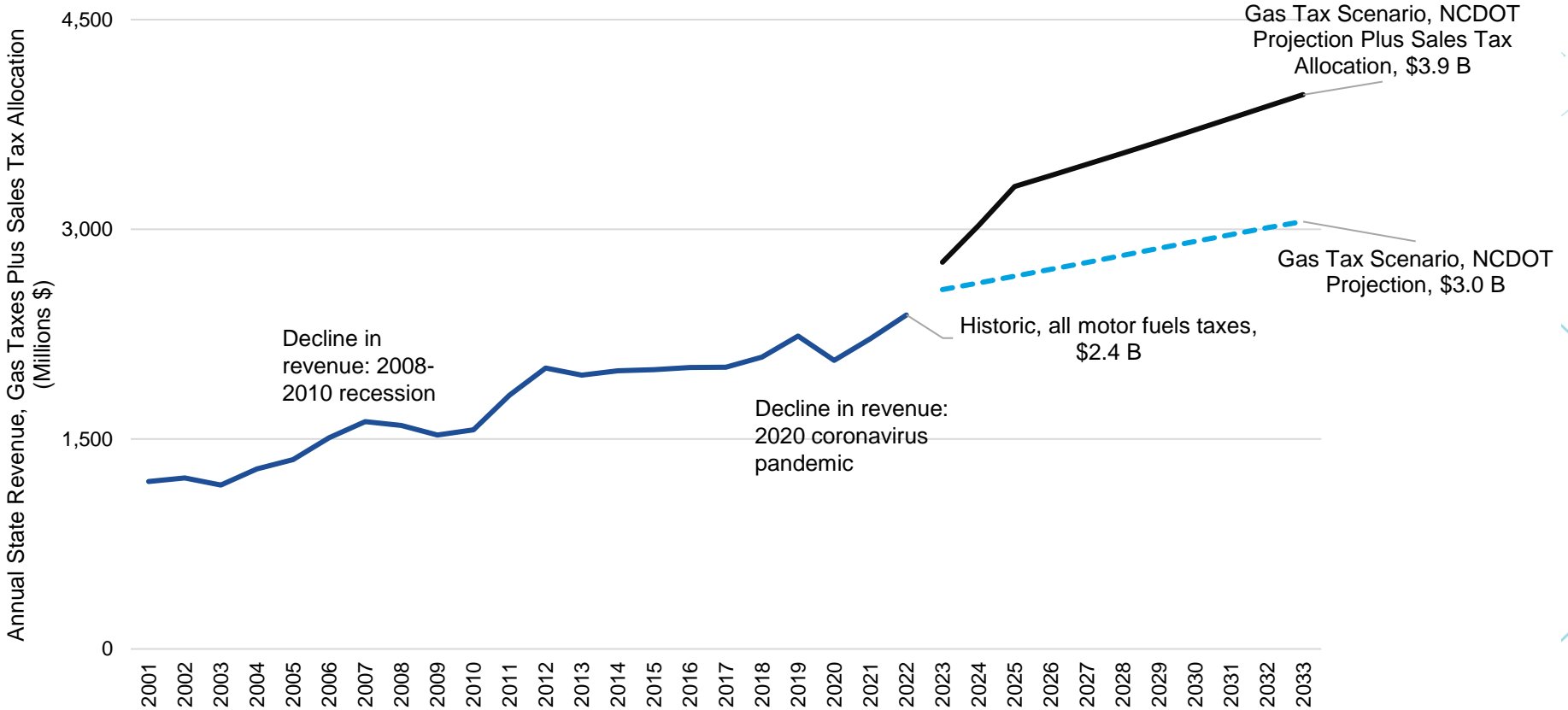
Historic Revenue from Motor Fuels Taxes Future Scenarios From Motor Fuels Taxes and Proposed Access Fee



The background is a solid dark blue color. It features several white, semi-transparent geometric elements: large overlapping circles, thin white arcs, and small circular nodes with arrows indicating a clockwise direction. These elements are scattered across the top half of the page, creating a technical or data-oriented aesthetic.

Sales Tax Allocations Fiscal Impact Projections

Historic Revenue from Motor Fuels Taxes Future Scenario From Motor Fuels Tax Plus Sales Tax Allocation



Source: NDOR Statistical Abstract of North Carolina Taxes Table 53, NCDOT-OSBM Estimates, RTI models based on variance in future fleet MPG and future EV adoption scenarios. Sales tax allocation based on 2% in FY 2023, 4% in FY 2024, and 6% in FY 2025 and moving forward, based on a linear projection of future state (4.75%) sales tax revenue in NC going to general fund.

Sales Tax Allocation: Projected Fiscal Impact

- 2022 legislation allocating up to 6% of sales tax revenue to transportation is significant.
 - 2% of total revenue in FY 2023, escalating to 6% by FY 2025
- Could increase total funding to transportation by over \$900 million by 2033
 - 29% increase in revenue over NCDOT gas tax revenue forecast
 - Over 2x forecast diesel tax revenue for 2033