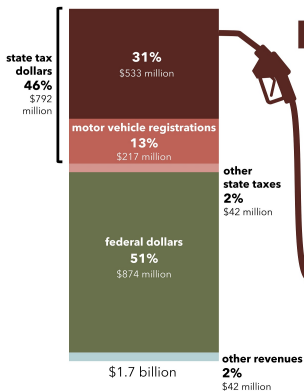


TENNESSEE STATE TRANSPORTATION FUNDING

HOW IS TRANSPORTATION FUNDED IN TENNESSEE'S STATE BUDGET?

STATE HIGHWAY FUND

FY 2014-2015



STATE TAXES SHARED WITH CITIES & COUNTIES FOR TRANSPORTATION PROJECTS

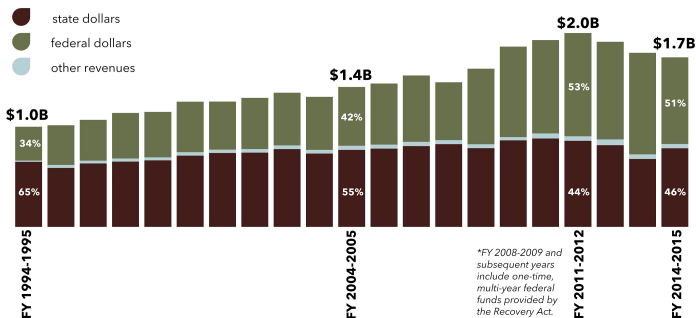
FY 2014-2015

\$297 million

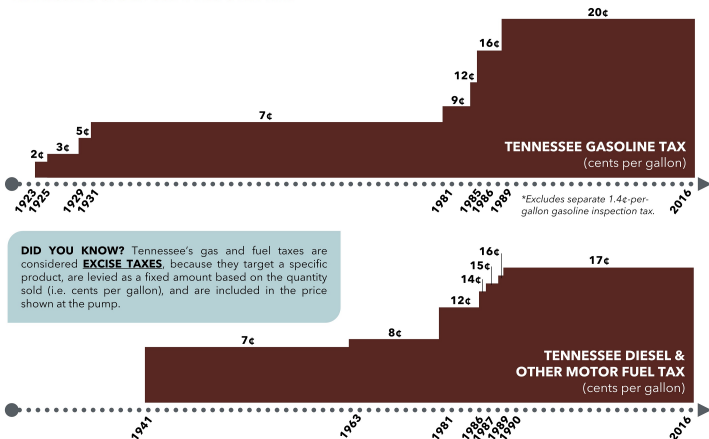
Tennessee taxes on gas & fuel

The state dollars in the Highway Fund are collected via taxes on gas and fuel, motor vehicle registrations, and a small share of a handful of other state taxes. All other state tax dollars are dedicated to the General Fund, which funds nearly all of Tennessee's non-transportation activities and programs, and shared with cities and counties.

THE HIGHWAY FUND OVER TIME

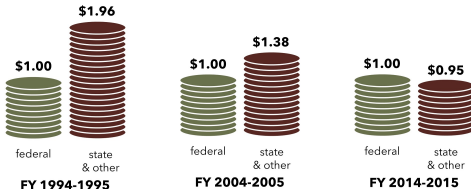


TENNESSEE'S GAS & FUEL TAXES OVER TIME



DID YOU KNOW? Tennessee's gas and fuel taxes are considered **EXCISE TAXES**, because they target a specific product, are levied as a fixed amount based on the quantity sold (i.e. cents per gallon), and are included in the price shown at the pump.

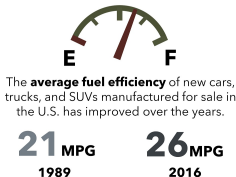
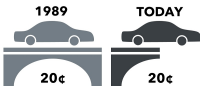
THE RATIO OF FEDERAL REVENUES TO STATE FUNDS OVER TIME



For every \$1.00 in federal revenues in the Highway Fund, \$0.95 is contributed from state gas and fuel taxes, motor vehicle registrations, and other state revenue sources.

TRENDS

Due to **inflation**, each 20¢ tax on a gallon of gas buys about half as much infrastructure construction as when the rate went into effect in 1989.



A WORD OF CAUTION

The data presented here only account for transportation funding that is in the state budget. They do not include any transportation spending that is done directly by the federal government or by local governments with their own revenues - including federal spending that flows through local governments.