

## Puget Sound Transportation Funding Options

Revenue Source	Financial Sufficiency	Diverse, Stable and Predictable	Supports Regional Economy / Vision	Equity - Who Pays / Who Benefits	Public / Political Perception
Fuel Tax	Medium - short-term	Limited to highways, stability a concern, fairly predictable	Positive for highway needs; not available for other modes	Close to user fee; rate per user is medium level	TBD
	Low - long-term				
Motor Vehicle Fees	Medium	Flexible uses, stable and predictable source	Positive for all modes	Close to user fee; rate per user is medium level	TBD
Motor Vehicle Excise Tax	Medium	Not widely used, somewhat stable and predictable	Limited use today, so uncertain about impact	Reflects ownership and age of vehicle, not use.	TBD
Sales Tax	High	Uses set by law, revenues tied to economic cycles creating uncertainty	Positive for all modes, used locally for transportation	Tax on needed items; rate per user high level	TBD
Tolled Express Lanes	Low, generates limited funds	Tolls spent on corridor; depends on congestion – can be hard to predict	Market based choices - maximizes existing corridors	Users pay - choice of “free lanes or tolled express lanes”	TBD
Tolled New Capacity / Bridges	Funds projects; law change create toll system	Limits to highway corridors; stable and fairly predictable source	Limited to highways; Law change needed for toll system	Users of the roadway pay	TBD
General Property Taxes	Low, due to competing needs	Flexible but must compete for funds, fairly stable and predictable,	Use varies for transportation by local government	General tax, property owners pay	TBD
Project Specific Property Fees	Low, generates limited funds for specific projects	Limited to specific project, not stable and harder to predict	Use tied to specific projects that are growth oriented	Rate tied to needs; benefiting property owners pay	TBD
Street Maintenance Utility	Depends on the rates should this be considered	Flexible uses; Based on established rate schedule	Limited to use in areas where utility fee is assessed	Rate tied to usage	TBD
Motor Fuel Sales Tax	Medium – short-term	Tied to changes in price of motor fuels – unstable – hard to predict	Close to user fee, but impact would depend on enacted policies	Close to user fee; rate per user most likely medium level	TBD
	Low – long-term				
Tolled Expressway System	High	Current law limits to use on corridor – stable and fairly predictable source	Limited to highway corridor; Law change needed for toll system	Users pay, toll existing “free lanes”	TBD
Road Usage Charge	High	Price per mile, stable and predictable source	Supports all modes if designed flexible and can meet use goals	Could be regressive or progressive - user fee	TBD
General Carbon Tax	Medium, for transportation, compete for funds	Cap and Trade System – unstable and hard to predict	Ties into need for carbon reduction in Puget Sound Region	Carbon emitters pay for capacity under limits - may pass on	TBD
Carbon Tax on Motor Fuels	Depends on the tax rate, but could be significant	Stability a concern, fairly predictable source	Ties into need for carbon reduction in Puget Sound Region	Motor fuel emitters pay for capacity under limits	TBD