

Virginia Pump Toll

The 50¢ Virginia Pump Toll (VPT) is a flat all energy vehicle road maintenance fee that would be paid for each retail fuel fill-up by cars and pickup trucks. The VPT would be collected at all retail gasoline or diesel pumps. The VPT flat all energy vehicle road maintenance fee statute would require that all electronic retail gasoline or diesel pumps add a 50¢ charge at the start of any sale. Each motor fuel pump would be required to have a sticker that reads:

**“Virginia Pump Toll
50¢
Added at start of sale to fund road maintenance in this Highway Construction District”**

An additional 50¢ VPT will be paid by trucks at end of purchase for a \$1.00 total VPT (≥35 gallons) for trucks. Fleet and other bulk fuel purchasers would pay a \$1.00 VPT to the wholesaler who delivers their fuel. The VPT charge for any bulk fuel delivery would be equal to the numbers of gallons purchased divided by 12 (in the case of gasoline sales) and 60 (for diesel sales) times \$1.00. Under this formula, delivery of a full load of diesel (typically 7500 gallons) would require a VPT of \$125. For delivery of a full load of gasoline (typically 9000 gallons) the VPT would be \$750. Bulk fuel purchases for agricultural uses or for energy production would be exempt from the VPT. A dealer discount would be provided to gasoline retailers for programming, accounting and remittance costs of the VPT.

- Virginia Pump Toll revenue would stay in the Highway District in which it is paid and could only be used to pay for road maintenance in the District in which it is paid.
- Out-of-state travelers (both trucks and passenger cars) as well as the owners of hybrid vehicles (who are a declining source of gas tax revenue) would pay the same as Virginians for road maintenance through payment of the VPT flat all energy vehicle road maintenance fee.
- Plug-in electric, natural gas, hydrogen and other alternative fuel or alternative energy vehicles would also pay the 50¢ VPT flat all energy vehicle road maintenance fee when the refuel is at a retail station or electric vehicle charging service facility.
- The VPT will be indexed to increase once every five years by 10% to account for cost increases over time of road maintenance (e.g. VPT would be 55¢ for cars/pickups in 2018).
- There will be a direct nexus between each VPT flat all energy vehicle road maintenance fee paid and its use: road maintenance. Every VPT collected at each fill-up will help pay for the maintenance of the Virginia roads traveled that day or traveled for that tank.
- By discouraging excessive fuel stops for the purpose of topping-off a gas tank, the VPT will benefit the environment by reducing emissions that result from pumping fuel.
- The VPT is completely transparent, unlike the gas tax which is hidden in fuel prices. Everyone would pay the same VPT when refueling, unlike the gas tax which rises with each gallon sold.
- A portion of the funds generated from the VPT flat all energy vehicle road maintenance fee within each highway construction district could be dedicated to maintenance of segments of the interstate highways in that district. As such, tolls for maintenance of existing roads (including I-95 between Richmond and Massaponax) would be prohibited in the VPT statute.

Fiscal Impact: The Commonwealth does not keep records on the number of gasoline and diesel sales made at the retail level but tracks gallons sold. In FY 2011 DMV reports that 3,969,497,072 gross gallons of gasoline and 1,070,173,706 gross gallons of diesel were sold in Virginia. The Department of Taxation has advised that a reasonable formula for estimating the fiscal impact of adopting the VPT would be to assume: (1) the average gasoline fuel tank holds 16 gallons, (2) the average driver refuels their car at one-quarter of a tank remaining, which means they purchase on average 12 gallons of gas, (3) the average fuel tank size for a commercial diesel vehicle is a Class 8 vehicle which has an 80 gallon fuel tank, and (4) at one-quarter full this vehicle would purchase 60 gallons. Using this formula and FY 2011 sales it is estimated the VPT flat road maintenance fee would generate more than \$200 million annually (excluding any new revenues resulting from pump tolls paid by alternative energy vehicles or bulk purchasers of such fuel). A reasonable range of fiscal impact based upon sensitivity adjustments to this formula yields a fiscal impact range of \$200 million to \$300 million per year.