

WEST VIRGINIA HIGHWAYS

Revenues and Expenditures

Sources of Revenue

Traditionally, highway user revenues have been classified by “structure.” First Structure Taxes are fixed fees that are independent of the amount of highway use, and may be considered as “entry” fees for the highway system. Prime examples of these taxes are vehicle registration fees, vehicle titling fees, vehicle privilege tax, and driver licensing fees. Second Structure Taxes are fuel taxes that generally measure distance traveled. Taxes on gasoline, diesel fuel, gasohol and special fuels are the greatest source of highway revenue, both nationally and at the State level. Third Structure Taxes are vehicle usage taxes, which are use-related fees intended to reflect vehicle weight, as well as distance traveled, thus also reflecting the costs associated with highway use. Weight-distance taxes, tire taxes, and tolls are examples of these taxes.

The Federal Government and the State of West Virginia are the two primary sources of highway funds for the WVDOH. However, the amount of highway funding provided by each of these sources is dependent on the revenues generated from a variety of factors, such as the use of motor fuel and collection of motor vehicle fees. State and national economic conditions and world events, population and vehicular travel also may affect highway revenues. A significant increase in motor fuel and motor vehicle tax and fee revenues may reflect positive economic growth trends. Any future change in motor fuel availability, consumption rates or price, without changes to the tax rates or structure, will have a significant impact on future tax revenue collections.