

ODOT Funding Package Resource Library

State Highway Fund Revenue Forecast

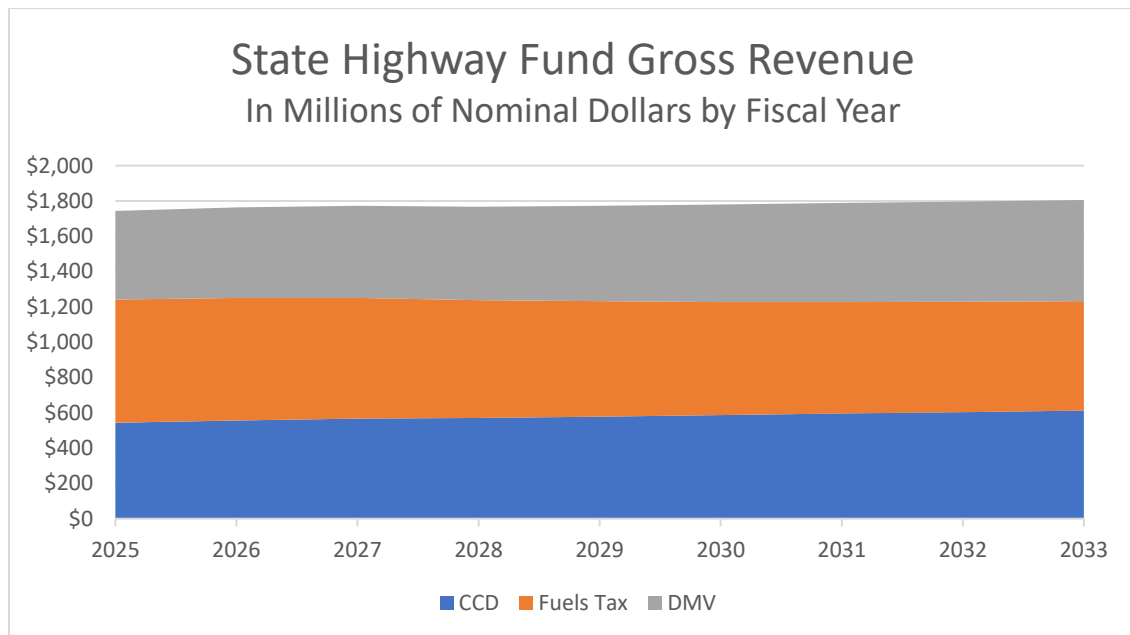
ODOT’s State Highway Fund revenue forecast projects revenue through 2033 for each of the three major components of the State Highway Fund:

- Fuels tax on gasoline, diesel, and other transportation fuels
- Weight-mile tax and vehicle registration fees on heavy trucks collected by ODOT’s Commerce and Compliance Division
- Driver and motor vehicle fees collected by DMV

Gross State Highway Fund Revenue

Total nominal gross State Highway Fund revenue over this period is projected to grow from \$1.74 billion in FY 2025 to about \$1.81 billion in FY 2033—essentially flat with a total growth of 3.5%, or 0.44% annually. Among the three components of the State Highway Fund, DMV revenue is projected to grow the fastest, at 1.7% per year on average; CCD revenue is projected to grow at 1.5% per year; and fuels tax revenue is projected to shrink at 1.5% per year due to growing fuel efficiency. While fuels tax is the largest revenue component today—about 40% of total revenue in FY 2025—by 2033 the three components are projected to each constitute nearly an even third of total revenue.

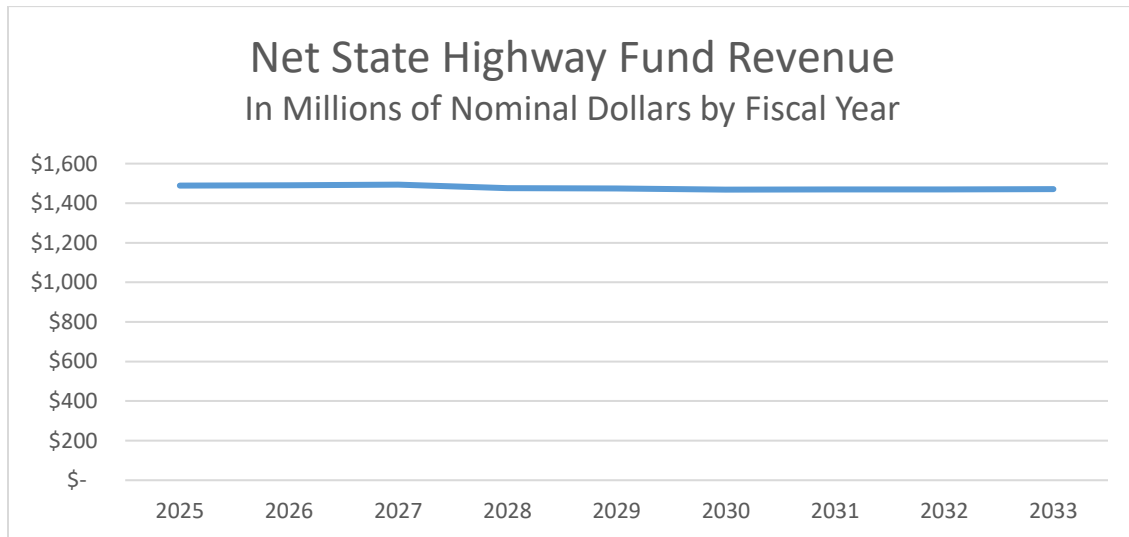
Figure 1: State Highway Fund Gross Revenue



Net State Highway Fund Revenue

ODOT also calculates net State Highway Fund revenue after subtracting the cost of collecting the revenue and transferring fuels tax revenue generated by non-highway uses to other programs and agencies. After covering these costs and transfers, State Highway Fund revenue available for roads and apportioned among ODOT, cities, and counties, is actually projected to decline over the forecast period, from \$1.49 billion in FY 2025 to \$1.47 billion in FY 2033—a decline of 1.2%.

Figure 2: Net State Highway Fund Revenue



Inflation-Adjusted Revenue

When factoring in projected inflation, the loss of revenue is projected to be significant. A portion of this impact is shown above in the Net State Highway Fund Revenue chart as cost to collect the revenue grow over time. However, this does not take into account the full impact of inflation on the rest of the agency nor the construction programs the State Highway Fund supports. Adjusting for the full impact of inflation on revenue leads to an average annual decline in real revenue of about 2.6% through 2033.