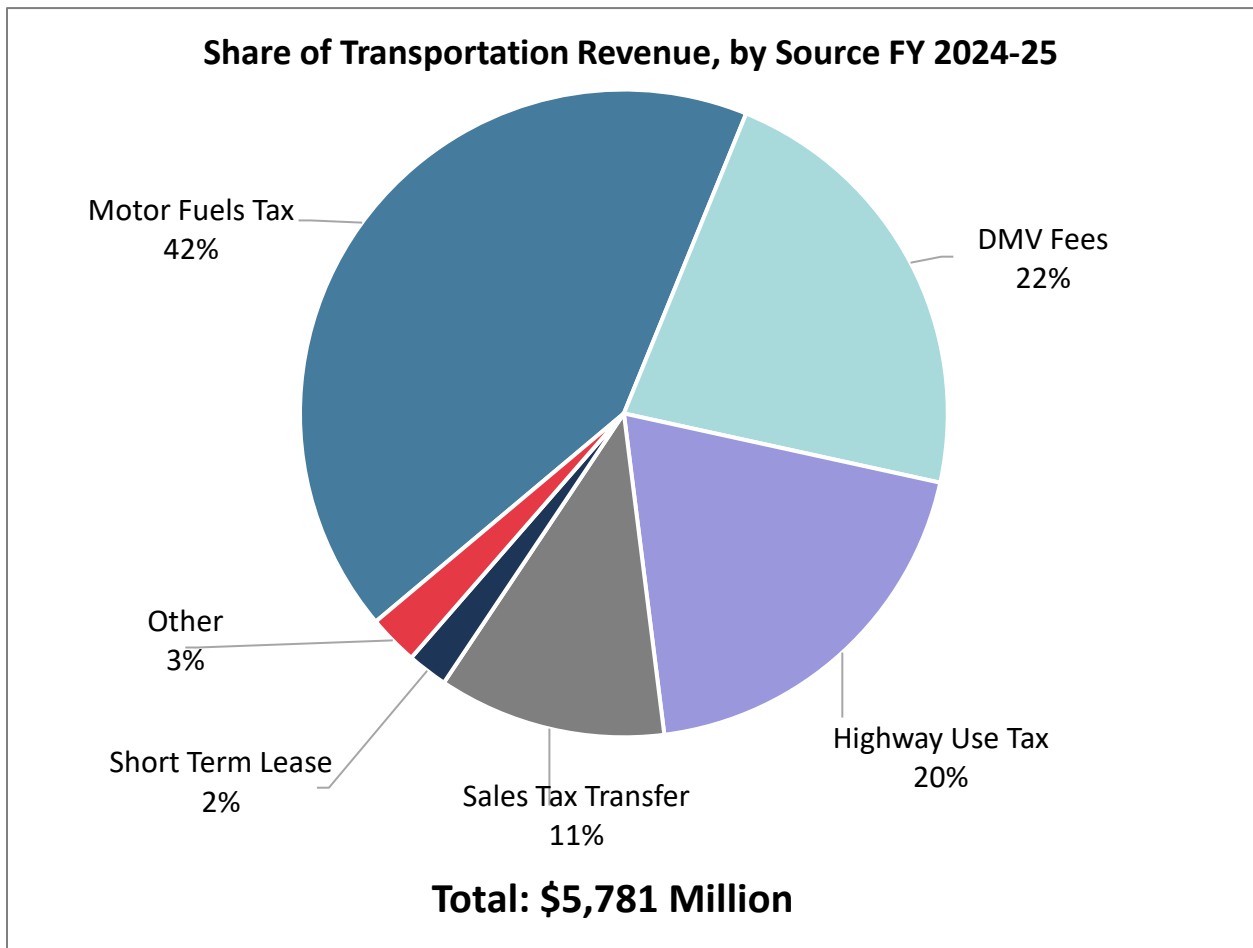


Overview of NC Transportation Revenue

The chart, tables, and supplemental information provide greater detail about the sources of revenue supporting the Highway Fund and Highway Trust Fund Approximately \$5.8 Billion in Revenue in FY2024-25.¹



Source: NCDOR FY 2024-25 Statement of Collections and the NCDOT FY 2024-25 Financial Statement.

¹ Funds distributed into the Highway Fund and Highway Trust Fund are used to support operations and capital responsibilities assigned to the North Carolina Department of Transportation.



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Motor Fuels Tax (~\$2.4 billion)

- Tax per gallon of motor fuel, primarily gasoline and diesel
 - ~6.5 billion gallons sold in FY 2024-25
- 2025 rate: 40.5¢ per gallon for all fuel types
- Tax rate changes each calendar year according to formula in statute
 - Formula includes annual change in population and energy prices
- 75% deposited in Highway Fund, 25% deposited in Highway Trust Fund
- Administered by Department of Revenue (DOR), paid by fuel distributors

Division of Motor Vehicles (DMV) Fees (~\$1.3 billion)

- Fees primarily for licenses, registrations, trucking, and titles
- Most fees are adjusted for inflation every 4 years; next adjustment-July 2028
- Primarily deposited in Highway Fund, excepting title and lien recording fees

Major DMV Fees Summary Table

Fee Name	Annual Revenue	Fund	Fee Inflation-Adjusted?
Staggered Registration	~\$400 million	Highway Fund	Yes
Truck Licenses	~\$300 million	Highway Fund	Yes
Driver Licenses	~\$150 million	Highway Fund	Yes
International Registration Plan	~\$150 million	Highway Fund	No
Certificate of Title	~\$150 million	Highway Trust Fund	Yes
Electric Vehicle/Plug-in Hybrid	~\$20 million	Highway Fund	Yes

Highway Use Tax (~\$1.1 billion)

- Tax on vehicle sales, transfers, and long-term (>1 year) leases
- Rate: 3% on sales price or market value, 3% on gross receipts for lease
- Taxable portion is net of trade: sales price minus trade-in value
- Vehicle buyer or recipient pays tax for sale or transfer, retailer for lease
- Deposited in Highway Trust Fund and primarily administered by DMV



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Sales Tax Transfer (~\$700 million)

- 6% of net general rate sales tax collections
- 25% deposited in Highway Fund, 75% deposited in Highway Trust Fund
- Transferred to monthly beginning in FY 2024-25

Sales Tax Transfer History Summary Table

Fiscal Year	Percent Of Collections	Highway Fund Share	Highway Trust Fund Share	Transfer Frequency
Before 2022-23	0%	-	-	-
2022-23	2%	100%	0%	Quarterly
2023-24	4%	25%	75%	Quarterly
2024-25 and after	6%	25%	75%	Monthly

Short-Term Lease Tax (“Highway Use Tax Lease”) (~\$120 million)

- Tax on short-term vehicle leases (<1 year) and vehicle subscriptions
- Short-term lease rate: 8% of retailer’s gross receipts (e.g. rental car providers)
- Vehicle subscription rate: 5% of retailer gross receipts
- Deposited in Highway Fund and primarily administered by DOR

Other Revenues (~\$145 million)

- Investment Income (~\$115 million)
 - Returns on cash held in both Funds is retained in each Fund
 - Invested in the Short-Term Investment Fund (STIF)
- Aviation Fuels Tax (~\$15 million)
 - 7% sales tax on aviation gasoline and jet fuel
 - Revenues are dedicated to airport economic development
- Gasoline Inspection Tax (~\$15 million)
 - ¼ of 1 cent (\$0.0025) tax per gallon of motor fuels
 - Revenues are dedicated to the bridge program
- Transportation Commerce Tax
 - New tax effective July 1, 2025
 - Tax per ride on for-hire ground transportation (e.g. Uber, Lyft, taxi)
 - 1.5% per ride for exclusive ride service, 1% for shared ride service
 - Estimated to generate ~\$10 million per year beginning FY2025-26
 - Will be deposited in Highway Fund