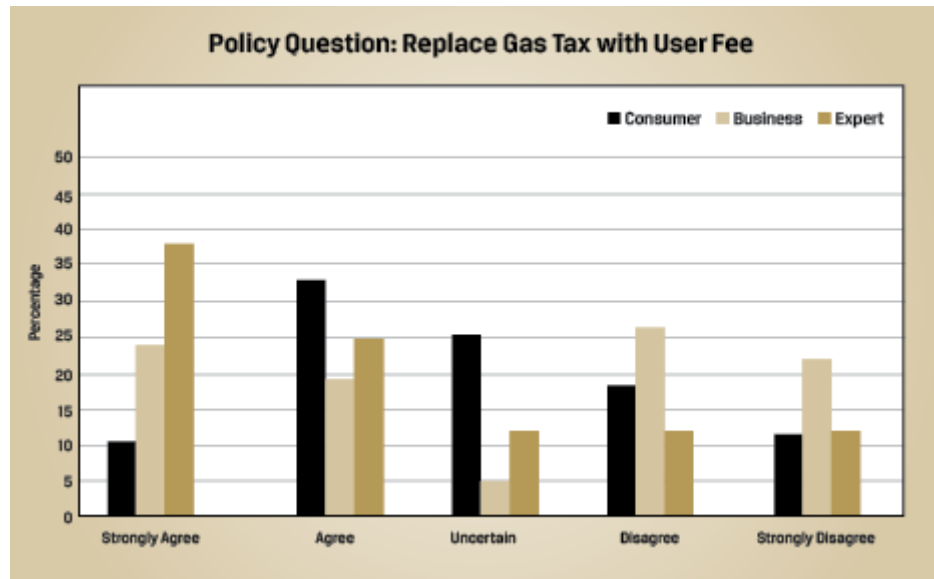


July 2014

Consumers, Executives and Experts Uncertain about Miles Travelled Fee

[Question posed: Replacing gasoline taxes with a user fee based on distance driven over roadways in Michigan with higher rates for heavy vehicles (that cause the most damage) is an efficient, productive and smart way to finance Michigan's transportation infrastructure.]



GoldStar panel of economic experts — Five of the eight either strongly agreed or agreed with moving from a gasoline to miles driven tax to support Michigan's roads and bridges. They did however express concern over the privacy issues in implementation. Many also believed that a combination of taxes would be a better approach. Their score of 3.63 was the highest of the 3 groups. However, because of the small sample size (8) and variability, it was not significantly different than an uncertain score of 3.

Consumers — were split with 43 percent of consumer in favor, and 30 percent against with a large number uncertain at 25 percent. Their score was 3.12.

Business executives — were also split with 44 percent in favor and 49 percent against. A typical comment is a user fee based on distance and weight is a fair way to pay for roads but I am concerned about the bureaucracy and privacy issues that goes along with it and the difficulty in enforcement. Their score of 2.97 was the lowest of the three groups.

Looking deeper into the Consumer group we found:

- Wayne and Macomb County respondents were in favor of the tax, while respondents from Oakland County and the cities of Detroit and Pontiac were uncertain.

- Those between 30 and 45 were uncertain about the tax while all other age groups were in favor of the tax.
- Males were in favor while females were uncertain.
- High income respondents (over \$80K household income) were in favor of the tax while those with lesser household incomes were uncertain.
- Respondents without a high school degree and college graduates were in favor of the tax, while those with a high school degree, some college or post high school training, or a graduate degree were uncertain. We suspect that many of those without a high school degree are current high school students, We will make sure that this is known for the next survey.

ABOUT POLICY FORUM

The policy forum explores the extent to which Southeastern Michigan economists, business executives, and consumers agree or disagree on a major public policy issues facing Southeastern Michigan. The question is included on the quarterly Business and Consumer Confidence surveys and on the Expert Panel Forecast survey conducted by the Economic Outlook Project at Oakland University.