

Highway User Revenue Fund

**Fiscal Year 2009
Year- End Report**



**Arizona Department of Transportation
Financial Management Services
Office of Financial Planning
July 2009**

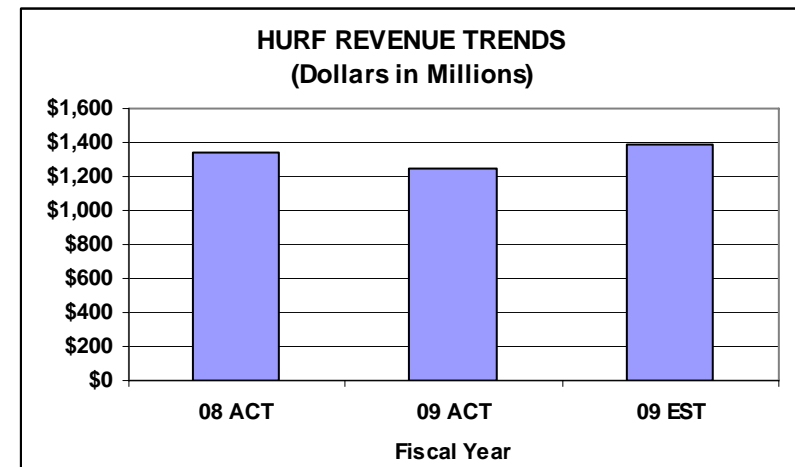
Highway User Revenue Fund

Executive Summary

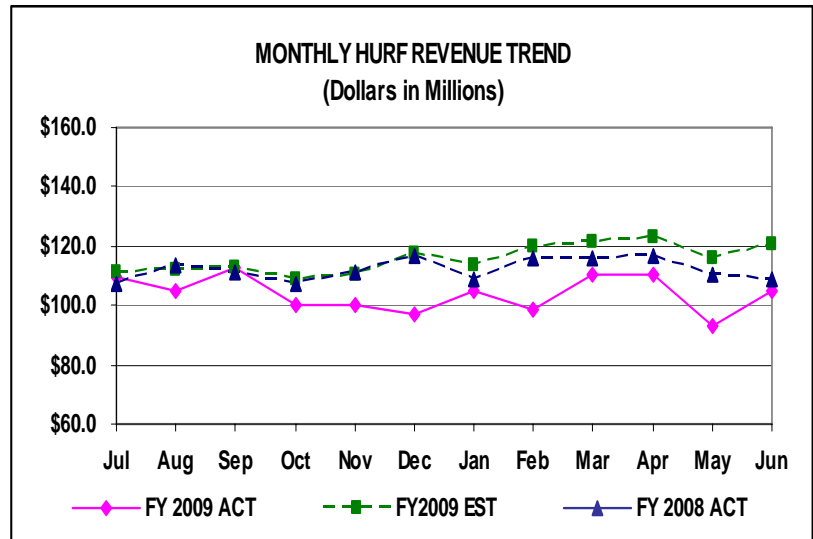
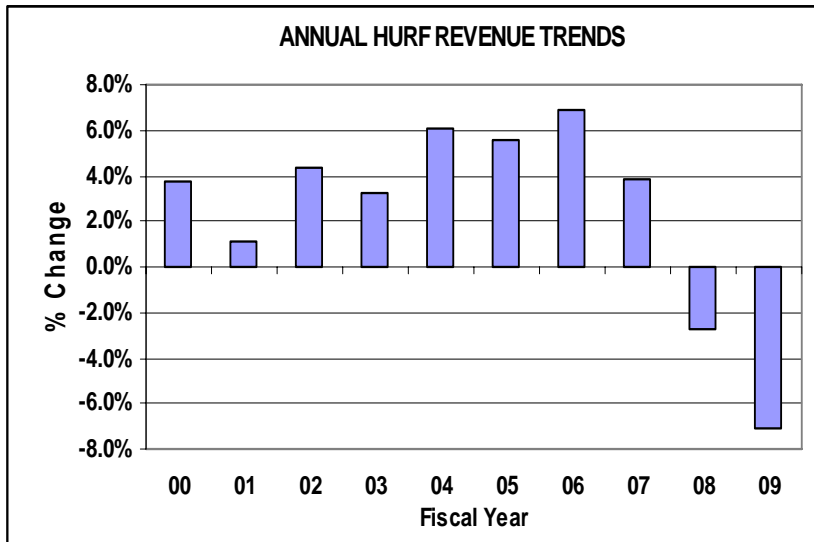
The State of Arizona taxes motor fuels and collects fees relating to the registration and operation of motor vehicles, including gasoline and use fuel taxes, motor carrier fees, motor vehicle registration fees, vehicle license taxes (VLT), and other miscellaneous fees. Revenues are deposited in the Arizona Highway User Revenue Fund (HURF) and are then distributed to the cities, towns and counties and to the State Highway Fund. These taxes and fees are a major source of revenue to the state for highway construction, improvements and other related expenditures.

HURF revenues in FY 2009 totaled \$1,248.6 million, a decrease of 7.1 percent from FY 2008 and 10.0 percent below the estimate. All major revenue categories, except Motor Carrier and Registration, posted revenues below FY 2008 levels. This represents the worst performance of HURF on record and the first time for two straight years of negative growth. After netting out \$10.1 million in Motor Carrier and Registration revenues that were booked in September 2008 for prior years revenue, FY 2009 would have been 7.9 percent below FY 2008 and 10.7 percent below the forecast.

Increasing unemployment and home foreclosures along with decreasing personal income and slower population growth led to the unprecedented performance of HURF in FY 2009. The only bright spot during the year was the 40 percent decrease in gas prices, which did little to entice financially strapped consumers to drive.



Revenue Trend Analysis



The compound growth rate for HURF revenue growth over the last ten fiscal years has decreased to 2.3 percent after two years of negative year-over-year growth. The Arizona economy has trended downward since FY 2007 and this downward trend sharply accelerated during FY 2009. The Arizona and national economies were in a recession and borderline depression during FY 2009 with all major economic indicators including employment, population, personal income and Arizona real gross domestic product posting slower or negative growth rates for a second straight year.

FY 2009 HURF revenues were 10.0 percent or \$138.4 million below the forecast. The monthly revenues tracked below the monthly estimates each month, except September, and significantly worsened in the second half. September 2008 would also have been negative if the one-time \$10.1 million revenue from prior years was netted out.

Performance By Category

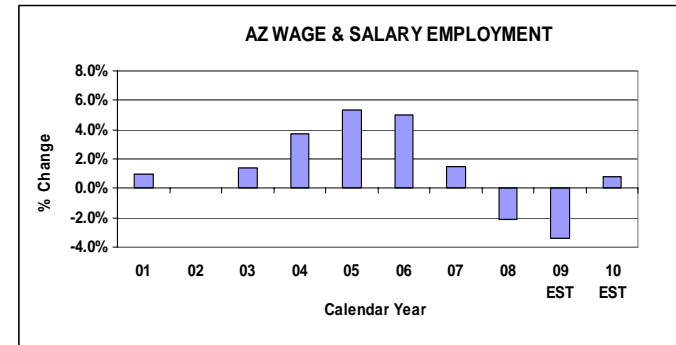
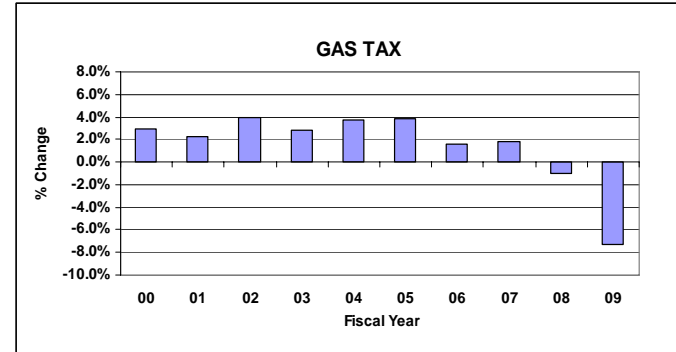
Gas Tax:

FY 2009 gas tax collections totaled \$456.8 million, a decrease of 7.3 percent from FY 2008 and 8.4 percent below the estimate. Gas tax revenue posted a second straight year of negative growth year-over-year. Even with the lower fuel prices, consumers have been driving less due to the economic uncertainty with higher unemployment and lower personal income.

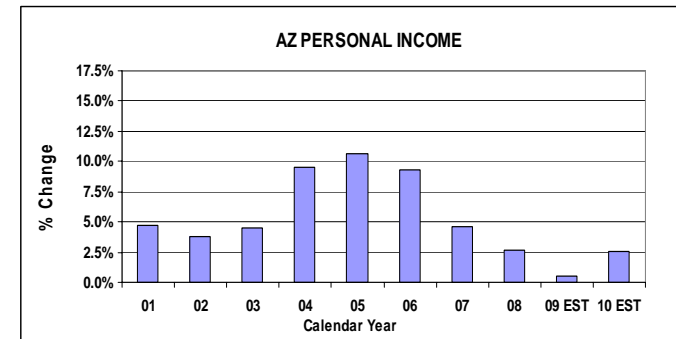
According to the Arizona AAA weekly news release dated July 2, 2009, the average statewide gas price per gallon was \$4.08 on July 2, 2008 decreasing to \$2.64 on July 2, 2009. This amounts to a 35 percent decrease in the price of gas during FY 2009. According to the Federal Highway Administration, consumers have been driving fewer miles since the fall of 2007 when the gas prices started increasing but has seen slight improvement with the lower prices.

Arizona has been hit hard by the economic downturn. According to the June 2009 Arizona Blue Chip Forecast report, wage and salary employment growth fell from 1.5 percent in CY 2007 to a negative 2.1 in CY 2008. The Arizona Blue Chip panel of economists forecast wage and salary employment growth in Arizona will bottom in CY 2009 with a negative 3.4 percent growth before rebounding to a slight increase of 0.8 percent in CY 2010.

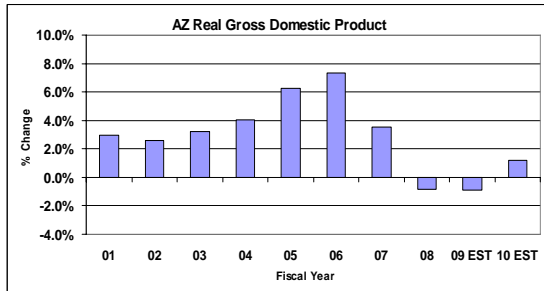
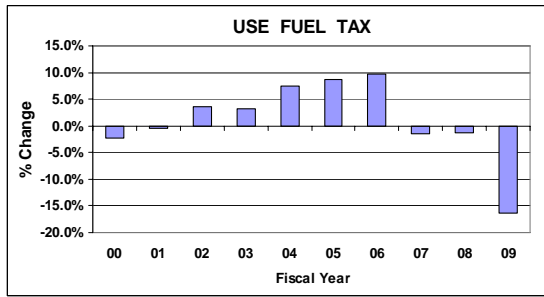
The Arizona Blue Chip economists also predict one more year of continued slowing in personal income with Arizona personal income growth expected at only 0.5 percent in CY 2009 and modestly increasing to 2.6 percent in CY 2010. Arizona personal income growth peaked at 10.7 percent in CY 2005.



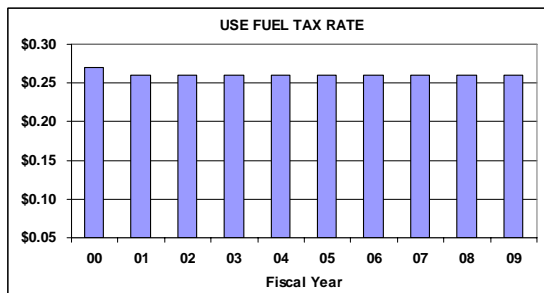
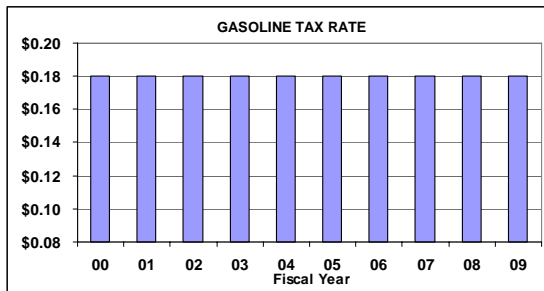
Source: Arizona Blue Chip Forecast, June 2008



Source: Arizona Blue Chip Forecast, June 2008



Source: Bureau of Economic Analysis June 2008. Estimates extrapolated from US GDP estimates from Global Insight, May 2008.



USE FUEL TAX:

Use fuel tax collections in the FY 2009 amounted to \$173.9 million, a decrease of 16.3 percent from FY 2008 and 17.5 percent below the estimate. The near depression-like conditions in Arizona and the rest of the nation severely impacted demand for good and services. With the tight credit conditions, lower home values and rising unemployment and home foreclosures, consumers halted most discretionary spending.

According to the Arizona AAA weekly news releases dated July 2, 2008 and July 2, 2009, the average statewide diesel price per gallon was \$4.79 on July 2, 2008 decreasing to \$2.60 on July 2, 2009. This amounts to an approximate 46 percent decrease in the price of diesel over the last year.

According to the Bureau of Economic Analysis, Arizona Real Gross Domestic Product growth was a negative 0.8 percent in FY 2008 after a modest increase of 3.5 percent in FY 2007. Consistent with other economic indicators, the Arizona Real Gross Domestic Product growth is expected to decrease further in FY 2009 by 0.9 percent before increasing for the first time in two years by 1.2 percent in FY 2010.

GASOLINE TAX RATE:

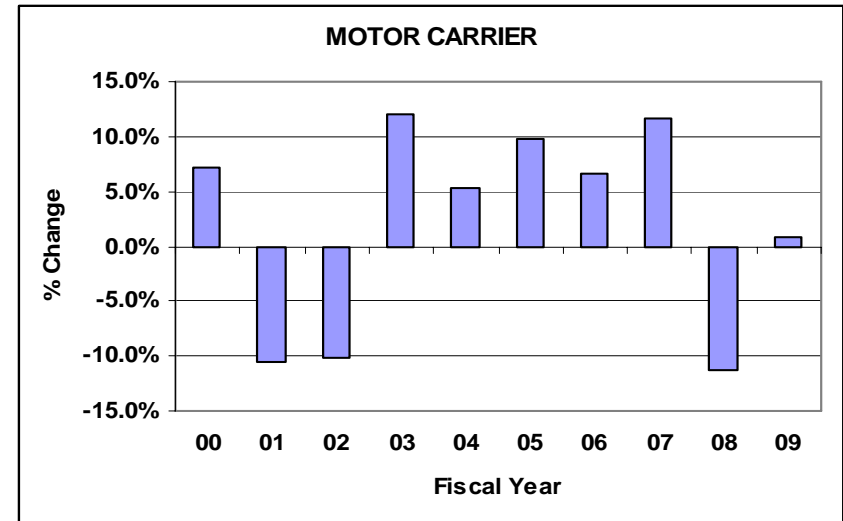
The gasoline tax rate chart on the left shows the state gasoline tax of \$0.18 per gallon. The last gasoline tax rate increase was \$0.01 in FY 91.

USE FUEL TAX RATE

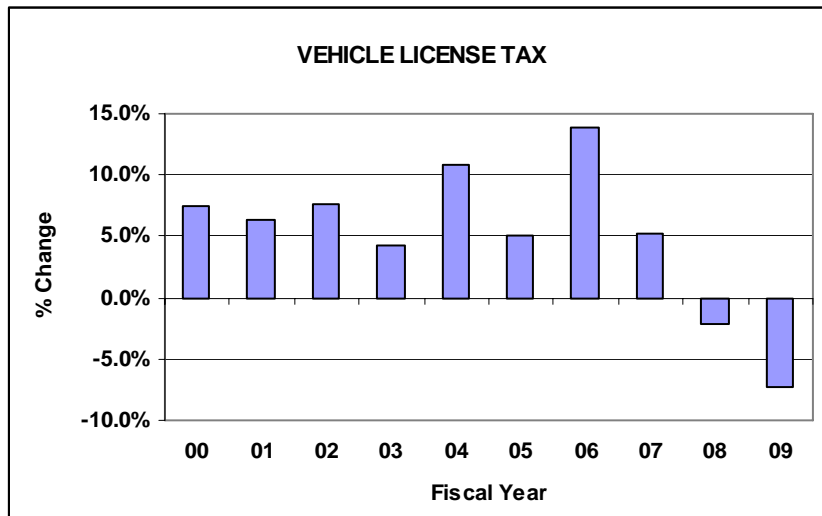
Presently, the state use fuel tax rate is \$0.26. As of July 1, 2000, the use fuel tax rate was reduced from \$0.27 to \$0.26 per gallon as part of 1997 legislation.

MOTOR CARRIER FEE:

Motor carrier fee collections in FY 2009 totaled \$40.5 million, an increase of 0.8 percent above FY 2008 but 2.7 percent below the estimate. However, the revenues included \$2.0 million from prior years collections that were posted in September 2008 as noted earlier. By netting out the prior years revenues, the motor carrier fee revenue category decreased by 4.0 percent from FY 2008 and 7.2 percent below the estimate. The continued trend of fewer trucks being registered due to the slowdown in the Arizona and national economies pressured motor carrier fee collections in FY 2009.



VEHICLE LICENSE TAX:



Vehicle License Tax (VLT) revenue in FY 2009 amounted to \$357.5 million, a decrease of 7.2 percent from FY 2008 and 12.6 percent below the estimate. With negative job growth and fewer people moving to Arizona, vehicle registrations subject to the VLT fell by approximately 113,000 in FY 2009. Brand new vehicles fell by 98,000, new to state vehicles fell by 70,000 while renewal vehicles increased by 55,000. The economic uncertainty has caused consumers to delay new vehicle purchases as noted by the bankruptcies of General Motors and Chrysler during FY 2009. The weak employment market in Arizona has attributed to fewer people moving here and will continue until the economy stabilizes.

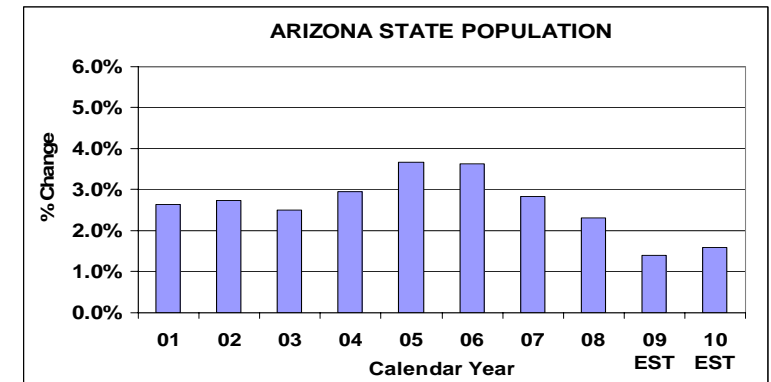
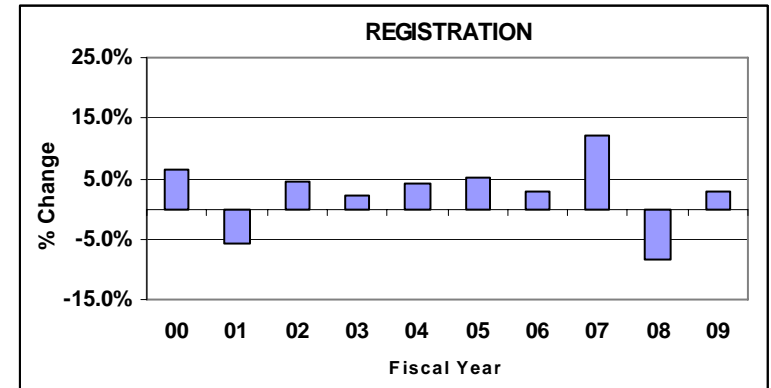
REGISTRATION:

FY 2009 Registration collections amounted to \$167.6 million, an increase of 2.9 percent from last year but 0.6 percent below the estimate. However, the revenues included \$8.1 million from prior years collections that were posted in September 2008 as noted earlier. By netting out the prior years revenues, the registration revenue category decreased by 2.0 percent from FY 2008 and 5.3 percent below the estimate. Just like in FY 2008, fewer trucks and vehicles were registered in FY 2009 due to the continued slowdown in the Arizona and national economies.

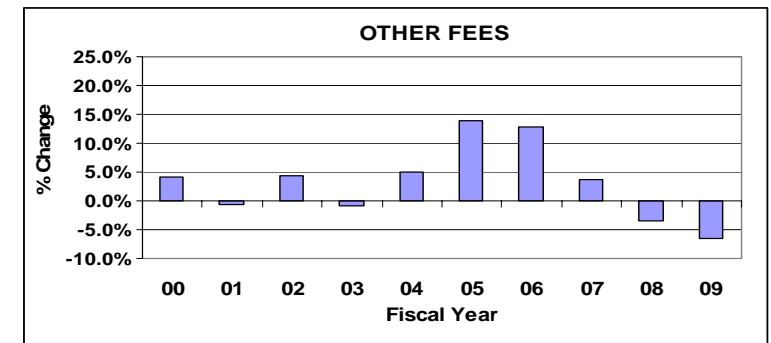
The June 2009 issue of the Arizona Blue Chip Forecast showed Arizona population totaled 6.5 million in CY 2008, an increase of 2.3 percent over CY 2007. Over the past year with the worsening Arizona economy, the growth in population has been positive but at a much slower rate. The economic conditions have caused the Arizona Blue Chip panel to reduce their future Arizona population growth estimates to 1.4 percent in CY 2009 and 1.6 percent in CY 2010. These estimates represent the slowest growth in population since FY 1966 at 1.9 percent and FY 1990 at 1.7 percent.

OTHER FEES:

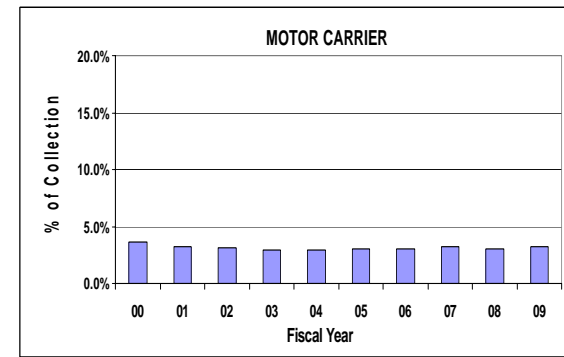
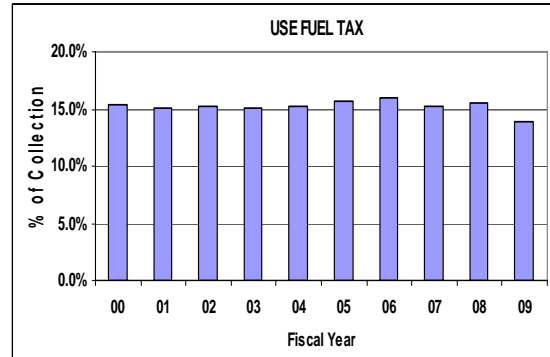
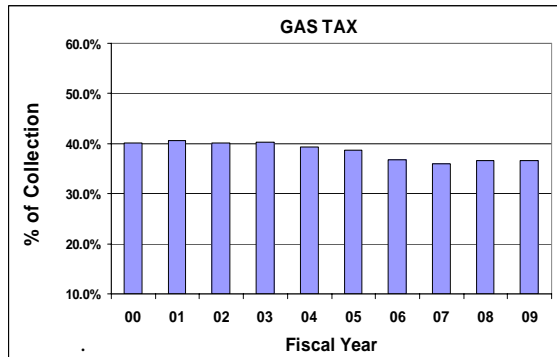
The “other fees” revenues totaled \$52.3 million in FY 2009, a decrease of 6.5 percent from FY 2008 and 10.1 percent below the estimate. The decrease can be attributable to significantly lower investment interest due to the drop in interest rates not seen since the Great Depression and lower MVD plate and fee to owner processing fees and miscellaneous other revenues. Credit card fees paid by MVD (for third parties and MVD facilities) totaled \$7.3 million, which is subtracted from “other fees” revenues.



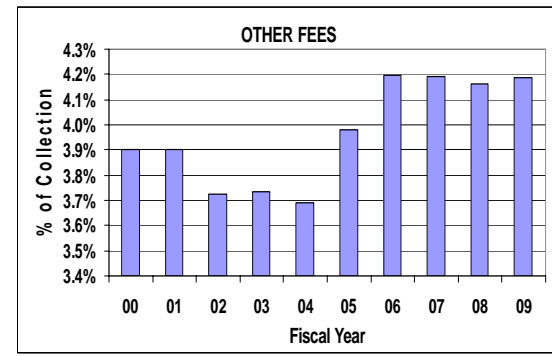
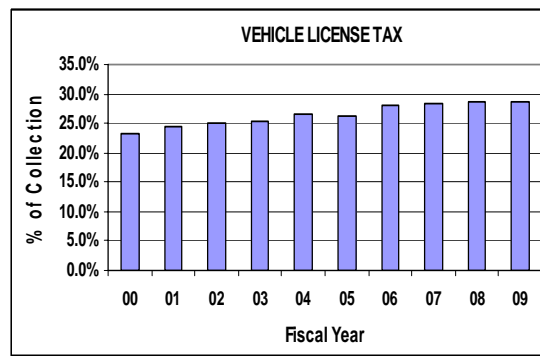
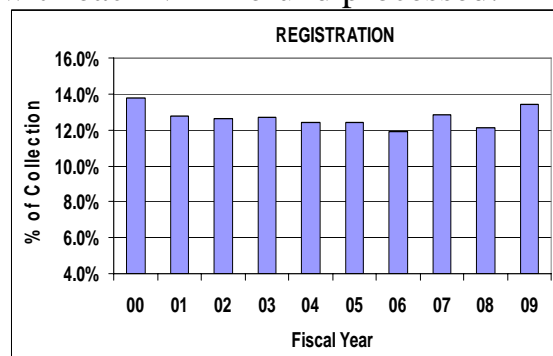
Source: Arizona Blue Chip, June 2008



Revenue Composition Comparison



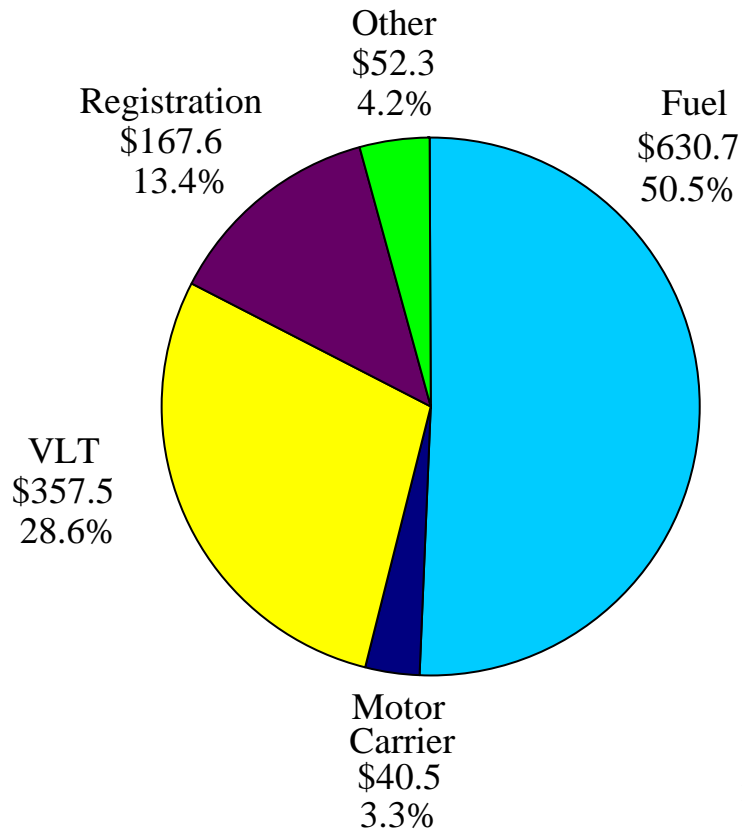
The percentage of HURF collections by major revenue category has varied somewhat over the years due to legislation, fuel efficiency and inflation. The gas tax revenue continues to be the largest component of HURF, but its contribution has trended downward from 40.1 percent in FY 2000 to 36.6 percent in FY 2009. The use fuel revenue category was sharply impacted by the economy in FY 2009 which explains the decrease to 13.9 percent. The Motor carrier fee and registration revenue categories posted increases in HURF share in FY 2009 due to the one-time \$10.1 million revenue adjustment for prior years revenue. The VLT revenue category has led the growth in the HURF share increasing from 23.2 percent in FY 2000 to 28.6 percent in FY 2009. This revenue category benefits from increased population, inflation and higher average fleet value each year as older vehicles are replaced by newer vehicles. However, the VLT has stagnated the last three years due to slower new vehicle sales and population growth. The increased contribution from “other fees” since FY 2005 was mainly due to 2004 legislation that allowed MVD to retain a \$12 processing fee with each VLT refund processed.



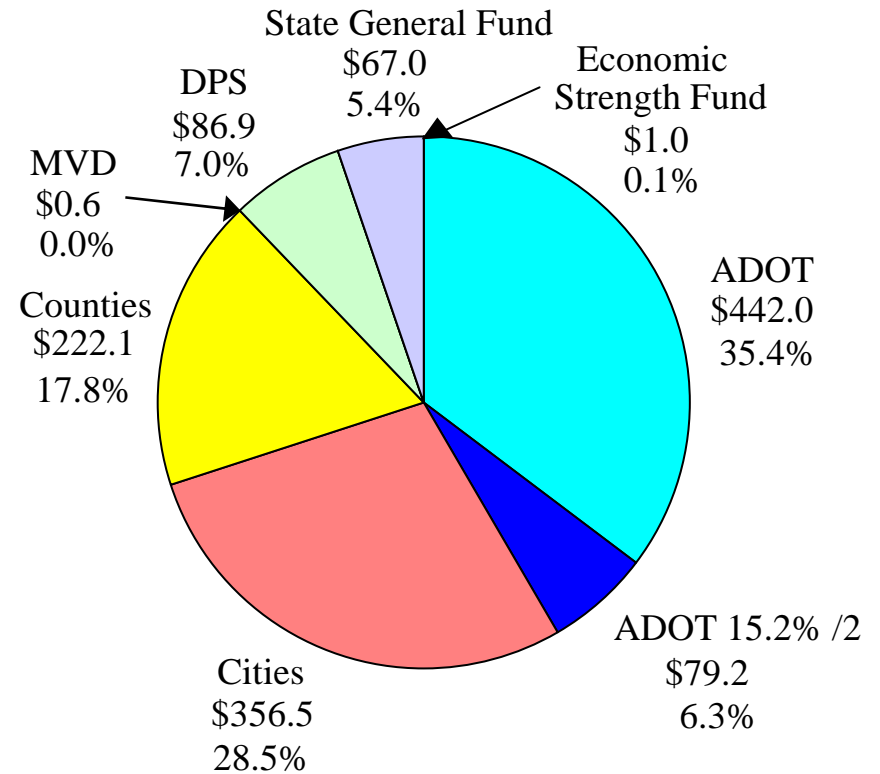
HIGHWAY USER REVENUE FUND SOURCES AND DISTRIBUTION OF FUNDS FY 2009

TOTAL: \$1,248.6 MILLION

SOURCES



DISTRIBUTION /1



NOTES:

1. Includes \$6.7 million reverted back to HURF per Laws 2009, 1st Special Session, Chapter 2 (SB 1002). The net HURF distribution was \$1,255.4 million or 100.5 percent of total HURF Sources.
2. Represents ADOT's allocation of HURF for MAG and PAG regional projects.

Highway User Revenue Fund

Revenue Comparison Statement

CATEGORY	FY 2008 ACTUAL	FY 2009 ACTUAL	CHANGE	FY 2009 ESTIMATE	CHANGE
GAS TAX	\$492,536,307	\$456,811,694	-7.3%	\$498,900,000	-8.4%
USE FUEL TAX	207,859,050	173,930,895	-16.3%	210,900,000	-17.5%
SUBTOTAL	700,395,357	630,742,589	-9.9%	709,800,000	-11.1%
MOTOR CARRIER	40,177,453	40,483,421	0.8%	41,600,000	-2.7%
VEHICLE LICENSE TAX	385,186,412	357,497,761	-7.2%	408,900,000	-12.6%
COUNTY REGISTRATION	76,909,516	74,107,051	-3.6%	80,000,000	-7.4%
APPORTIONED	71,203,481	79,137,645	11.1%	74,000,000	6.9%
MISC. REGISTRATION	14,651,877	14,320,440	-2.3%	14,500,000	-1.2%
SUBTOTAL	162,764,874	167,565,136	2.9%	168,500,000	-0.6%
TITLE FEES	8,444,578	7,311,719	-13.4%	8,700,000	-16.0%
OPERATOR LICENSES	18,255,219	18,632,019	2.1%	18,900,000	-1.4%
OVERSIZE PERMITS	7,843,611	6,226,242	-20.6%	8,000,000	-22.2%
INQUIRY FEES	12,382,658	12,271,287	-0.9%	13,900,000	-11.7%
STATION FUEL FEES	2,159,738	2,738,778	26.8%	2,300,000	19.1%
INVESTMENT INTEREST	2,380,660	1,114,090	-53.2%	2,400,000	-53.6%
SPECIAL PLATES	7,819,969	8,089,783	3.5%	8,100,000	-0.1%
CREDIT CARD FEES	(9,175,184)	(8,664,998)	-5.6%	(10,200,000)	-15.0%
MISCELLANEOUS FEES	5,841,645	4,575,111	-21.7%	6,100,000	-25.0%
SUBTOTAL	55,952,894	52,294,031	-6.5%	58,200,000	-10.1%
TOTAL	\$1,344,476,990	\$1,248,582,939	-7.1%	\$1,387,000,000	-10.0%

Details may not add to the total due to individual rounding.

Highway User Revenue Fund

Revenue Collections By Category

(Dollars In Thousands)

FY 2000- 2009

Fiscal Year	Vehicle						Total /1	Percent Change
	Gas Tax	Use Fuel Tax	Motor Carrier	License Tax	Registration	Other		
2000	\$409,137	\$156,599	\$36,563	\$236,547	\$140,345	\$40,409	\$1,019,599	
2001	418,400	155,859	32,678	251,613	132,269	40,147	1,030,966	1.1%
2002	434,818	161,507	29,347	270,641	138,210	41,873	1,076,395	4.4%
2003	446,891	166,744	32,856	281,947	141,328	41,490	1,111,255	3.2%
2004	463,531	179,002	34,617	312,262	146,638	43,510	1,179,561	6.1%
2005	481,284	194,368	37,980	328,232	154,122	49,567	1,245,553	5.6%
2006	489,081	213,460	40,504	373,864	158,805	55,911	1,331,625	6.9%
2007	497,702	210,282	45,226	393,497	177,788	57,979	1,382,474	3.8%
2008	492,536	207,859	40,177	385,186	162,765	55,953	1,344,477	-2.7%
2009 /2	456,812	173,931	40,483	357,498	167,565	52,294	1,248,583	-7.1%
Total	\$4,590,192	\$1,819,611	\$370,433	\$3,191,287	\$1,519,835	\$479,132	\$11,970,488	

Notes:

1/ Details may not add to the total due to individual rounding.

2/ Does not include the \$6,697,600 that was reverted back to HURF per Laws 2009, 1st Special Session, Chapter 2 (SB 1002) in February 2009. The funds were originally appropriated to the state highway fund in Laws 2007, Chapter 257 (HB 2783).

Highway User Revenue Fund

Revenue Distributions

(Dollars In Thousands)

FY 2000-2009

FISCAL YEAR	ARIZONA HIGHWAY FUND	MAG CONTROLLED ACCESS	PAG CONTROLLED ACCESS	CITIES AND TOWNS	COUNTIES	DEPT. OF PUBLIC SAFETY / 1	ECONOMIC	OTHER	TOTAL / 12
							STRENGTH PROJECT FUND / 2	MISCELLANEOUS APPROPRIATIONS	
2000	\$430,668	\$57,896	\$19,299	\$306,729	\$191,077	\$12,500	\$1,000	\$430 /3	\$1,019,599
2001	433,248	58,243	19,415	308,567	192,222	12,500	1,000	5,770 /3	1,030,965
2002	438,230	58,913	19,638	312,115	194,433	52,066	1,000		1,076,395
2003	451,827	60,741	20,247	321,799	200,465	54,528	1,000	648 /4	1,111,256
2004	483,688	65,024	21,675	344,491	214,601	48,698	1,000	383 /4	1,179,561
2005	410,362	55,167	18,389	363,535	226,464	52,216	1,000	118,420 /4 /5 /6	1,245,553
2006	539,865	72,576	24,192	386,128	240,538	66,693	1,000	633 /4 /7	1,331,625
2007	584,531	78,581	26,194	418,114	260,465	12,983	1,000	607 /4	1,382,474
2008	565,381	76,006	25,335	404,434	251,942	12,913	1,000	7,465 /4,8,9	1,344,477
2009 /11	442,020	59,422	19,807	356,458	222,056	86,912	1,000	60,908 /4,10	1,248,583
Total	\$4,779,820	\$642,570	\$214,191	\$3,522,370	\$2,194,264	\$412,009	\$10,000	\$195,265	\$11,970,488

NOTES:

- 1/ The legislature has authorized the distribution of Arizona Highway User Revenue Fund (HURF) monies to the Arizona Department of Public Safety (DPS) for highway patrol expenditures. Per Laws 2005, Chapter 306 (SB 1119), the DPS Parity Compensation Fund receives 1.51 percent of the state highway fund share of the HURF VLT beginning in FY 2006.
- 2/ The Economic Strength Project Fund was statutorily established on May 17, 1989. Money in the fund is to be used for highway projects that provide economic benefits to the State or local jurisdictions. Laws 202, Chapter 22 (SB 1372) allocated \$500,000 in FY 2003 for grants to small communities to provide air service and airport upgrades.
- 3/ Appropriation for construction of the Prescott Regional Transportation Center.
- 4/ Appropriation for the MVD vehicle registration enforcement program (FY03 \$648,000, FY04-06 \$383,300, FY07 \$607,300, and FY08-09 \$617,000)
- 5/ Appropriation to MVD to implement special 30-day nonresidents permit (\$37,000).
- 6/ Laws 2004, Chapter 282 (SB 1413) transferred \$118 million of the state highway fund share of HURF VLT to the state general fund in FY 2005.
- 7/ Laws 2005, Chapter 313 (SB 1254) appropriated \$250,000 from the HURF to the ADOT (MVD) for 3rd Party program..
- 8/ Laws 2007, Chapter 255 (HB 2781) appropriated \$150,000 to the Arizona Department of Administration for a hazards assessment study on state highways.
- 9/ Laws 2007, Chapter 257 (HB 2783) appropriated \$6.7 million to ADOT for 2 MVD facilities and 1 ADOT facility.
- 10/ Laws 2008, Chapter 285 (HB 2209) and Laws 2009, 1st Special Session, Chapters 1 and 2 (SB 1001 and SB 1002) transferred \$8.4 million and \$58.6 million, respectively from the state highway fund share of HURF VLT to the state general fund.
- 11/ Laws 2009, Chapter 2 (SB 1002) reverted \$6.7 million from state highway fund to HURF based on Laws 2007, Chapter 257 (HB 2783) that was for 2 MVD facilities and 1 ADOT facility. This was actually booked as negative revenue in the other miscellaneous appropriations section.
- 12/ Details may not add to the total due to individual rounding.

Highway User Revenue Fund

Distributions to Cities, Towns and Counties

FY 2009

COUNTY	CITY	COUNTY	CITY	COUNTY	CITY	COUNTY	CITY	COUNTY	CITY	COUNTY	CITY		
Apache		\$6,514,283.03		La Paz		\$3,776,343.74		Pima		\$41,209,550.48			
	Eagar		\$839,121.61		Parker		\$1,001,446.78		Marana		\$1,936,368.60		
	Springerville		\$390,115.76		Quartzsite		\$1,099,910.06		Oro Valley		\$2,855,667.64		
	St. Johns		\$730,789.91						South Tucson		\$408,550.41		
				Maricopa		\$90,823,283.94			Tucson		\$45,965,674.28		
Cochise		\$7,757,534.39			Apache Junction		\$17,120.90		Sahuarita		\$1,014,641.78		
	Benson		\$351,255.48		Avondale		\$4,161,312.62						
	Bisbee		\$487,738.55		Buckeye		\$1,523,174.89		Pinal		\$14,222,327.02		
	Douglas		\$1,277,556.09		Carefree		\$221,227.96			Apache Junction		\$2,748,840.50	
	Huachuca City		\$136,483.07		Cave Creek		\$285,560.89			Casa Grande		\$2,639,906.91	
	Sierra Vista		\$3,243,886.03		Chandler		\$13,849,282.88			Coolidge		\$665,009.99	
	Tombstone		\$119,401.95		El Mirage		\$1,922,826.48			Eloy		\$905,266.77	
	Willcox		\$288,702.54		Fountain Hills		\$1,468,335.33			Florence		\$1,669,625.35	
					Gila Bend		\$120,109.31			Kearny		\$182,553.19	
Coconino		\$8,892,224.43			Gilbert		\$10,651,366.39			Mammoth		\$142,914.03	
	Flagstaff		\$6,412,328.50		Glendale		\$14,538,908.90			Superior		\$264,817.54	
	Fredonia		\$116,600.84		Goodyear		\$2,771,889.33			Queen Creek		\$40,140.66	
	Page		\$744,870.64		Guadalupe		\$332,776.74			Winkelman		\$188.06	
	Williams		\$330,128.33		Litchfield Park		\$271,918.60			Maricopa		\$1,296,603.55	
	Sedona		\$325,318.37		Mesa		\$33,282,510.82						
					Paradise Valley		\$831,941.86		Santa Cruz		\$2,784,508.48		
Gila		\$3,607,855.94			Peoria		\$8,284,904.66			Nogales		\$1,917,509.18	
	Globe		\$701,335.07		Phoenix		\$109,620,052.19			Patagonia		\$80,936.17	
	Hayden		\$82,937.11		Queen Creek		\$954,593.09						
	Miami		\$182,656.69		Scottsdale		\$14,082,546.15		Yavapai		\$10,355,168.39		
	Payson		\$1,443,788.42		Surprise		\$5,295,936.38			Camp Verde		\$796,723.64	
	Winkelman		\$41,049.92		Tempe		\$9,945,309.80			Chino Valley		\$913,814.40	
	Star Valley		\$187,356.38		Tolleson		\$390,156.27			Clarkdale		\$273,599.77	
					Wickenburg		\$364,476.73			Cottonwood		\$805,303.44	
Graham		\$2,270,222.86			Youngtown		\$370,495.34			Jerome		\$24,842.28	
	Pima		\$154,970.13							Prescott		\$3,024,565.45	
	Safford		\$694,006.32		Mohave		\$10,732,954.75			Prescott Valley		\$2,490,641.54	
	Thatcher		\$338,433.86			Bullhead City		\$3,223,795.06		Sedona		\$581,183.78	
						Colorado City		\$344,536.44		Peoria		\$2,986.79	
Greenlee		\$802,766.90			Kingman		\$2,182,896.69			Dewey/Humboldt		\$299,259.66	
	Clifton		\$234,048.13			Lake Havasu City		\$4,508,658.97					
	Duncan		\$73,885.38		Navajo		\$8,017,202.32		Yuma		\$10,289,440.80		
						Pinetop/Lakeside		\$533,436.22			Somerton		\$766,689.79
						Holbrook		\$694,785.50			San Luis		\$1,804,058.19
						Show Low		\$1,264,238.22			Wellton		\$155,839.29
						Snowflake		\$630,606.09			Yuma		\$7,029,312.25
						Taylor		\$524,036.49					
						Winslow		\$1,257,900.92					
		FISCAL YEAR 2008-2009 TOTALS:											
		CITIES:											
		COUNTIES:											

Highway User Revenue Fund

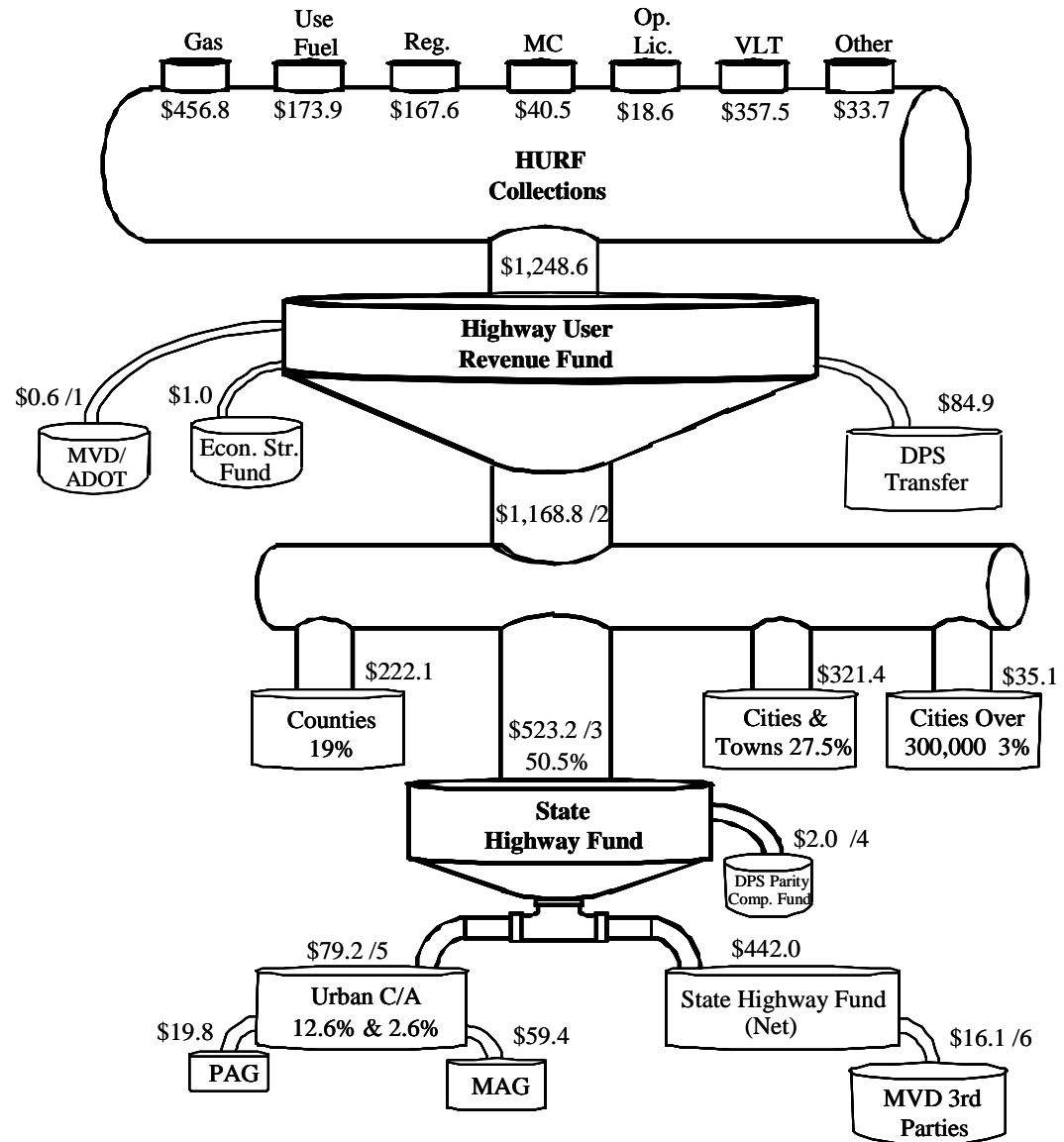
Distribution Overview

<u>Revenues from:</u>	<u>Distribution breakdown:</u>	<u>Distribution formulas:</u>
<p>\$.18 Gas Tax \$.26 Use Fuel Tax (7/00) Vehicle Registration Motor Carrier Fee 44.99% of VLT (12/00) Other</p>	<p>50.5% to State Highway Fund</p> <p>27.5% to Cities & Towns</p> <p>3% to Cities over 300,000</p> <p>19% to Counties</p>	<p>7.67% to Maricopa and Pima Counties for Controlled Access with a 75% and 25% split respectively. (Statutory 12.6% & Special 2.6% money) 42.83% to the State Highway Fund.</p> <p>One half distributed on basis of incorporated population and one half on the basis of county origin of gasoline sales and city or town population within each county.</p> <p>Distributed to Phoenix, Tucson and Mesa based on population.</p> <p>Distributed based on a portion of gasoline distribution and diesel fuel consumption and on a portion of unincorporated population. The split as follows: 85/15 in FY 1997, 80/20 in FY 1998, 76/24 in FY 1999, and 72/28 in FY 2000 and thereafter)</p>

Highway User Revenue Fund

FY 2009 Actual Revenue Distribution Flow

(Dollars in Millions)



NOTES:

- /1. Appropriation of 617,000 to MVD for the vehicle registration enforcement program.
- /2. Includes \$6.7 million reverted back to HURF per Laws 2009, 1st Special Session, Chapter 2 (SB 1002). The \$6.7 million was appropriated to ADOT/MVD in FY 2008.
- /3. Per Laws 2008, Chapter 285 (HB 2209) and Laws 2009, 1st Special Session, Chapters 1 and 2 (SB 1001 and SB 1002) \$67.0 million of the state highway fund share of HURF VLT is transferred to the state general fund in FY 2009. The \$67.0 million was not deposited into HURF before the transfer.
- /4. Per Laws 2005, Chapter 306 (SB 1119), 1.51 percent of the state highway fund share of HURF VLT is distributed to the DPS Parity Compensation Fund.
- /5. The 12.6% (statutory) and 2.6% (non-statutory) allocations from the State Highway Fund share of HURF distributions.
- /6. With the elimination of the VLT distribution to the state highway fund, a distribution is made from the state highway fund to MVD Third Parties for the collection of VLT.

REVENUE CATEGORY DEFINITIONS

GASOLINE TAX	A per-gallon tax imposed on gasoline used by vehicles on Arizona highways; presently this tax is \$0.18 per gallon.
USE FUEL TAX	Includes all gases and liquids used to propel motor vehicles on the highways in this state except for motor fuel (gasoline). Use fuel consists primarily of diesel fuel. Diesel fuel tax was \$0.27 per gallon, but dropped to \$0.26 per gallon on July 1, 2000 for “use class” vehicles. “Non-use class” vehicles continue to pay \$0.18 per gallon. Jet fuel is exempt from fuel and use fuel taxes.
MOTOR CARRIER FEE	A fee imposed on certain commercial carriers based on vehicle weight. Category also includes: Motor Carrier License Tax, Motor Carrier Tax Penalties, late fees and interest, and Motor Carrier Permits Tax, and application fees.
VEHICLE LICENSE TAX	An annual license tax imposed on registered vehicles in lieu of property taxes.
REGISTRATION FEES	Is made up of three distinct components: County Registration - non-commercial and commercial vehicle registration, and commercial weight fees. Apportioned Registration - commercial registration fees allocated according to miles traveled in Arizona. Miscellaneous Registration - Non-resident Permits, Unassigned Registration, Prorate Stickers, and Registration Penalties.
OTHER FEES	Includes Title Fees, Operator Licenses, Oversize/Overweight Permits and Highway Fines, Inquiry Fees, Use Fuel Permits and Fuel Tax Penalties, Investment Interest, Special Plates, and Other Miscellaneous Fees, less Credit Card Fees.