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# **ECONOMIC FACTORS AFFECTING ROAD TOLL REVENUES**

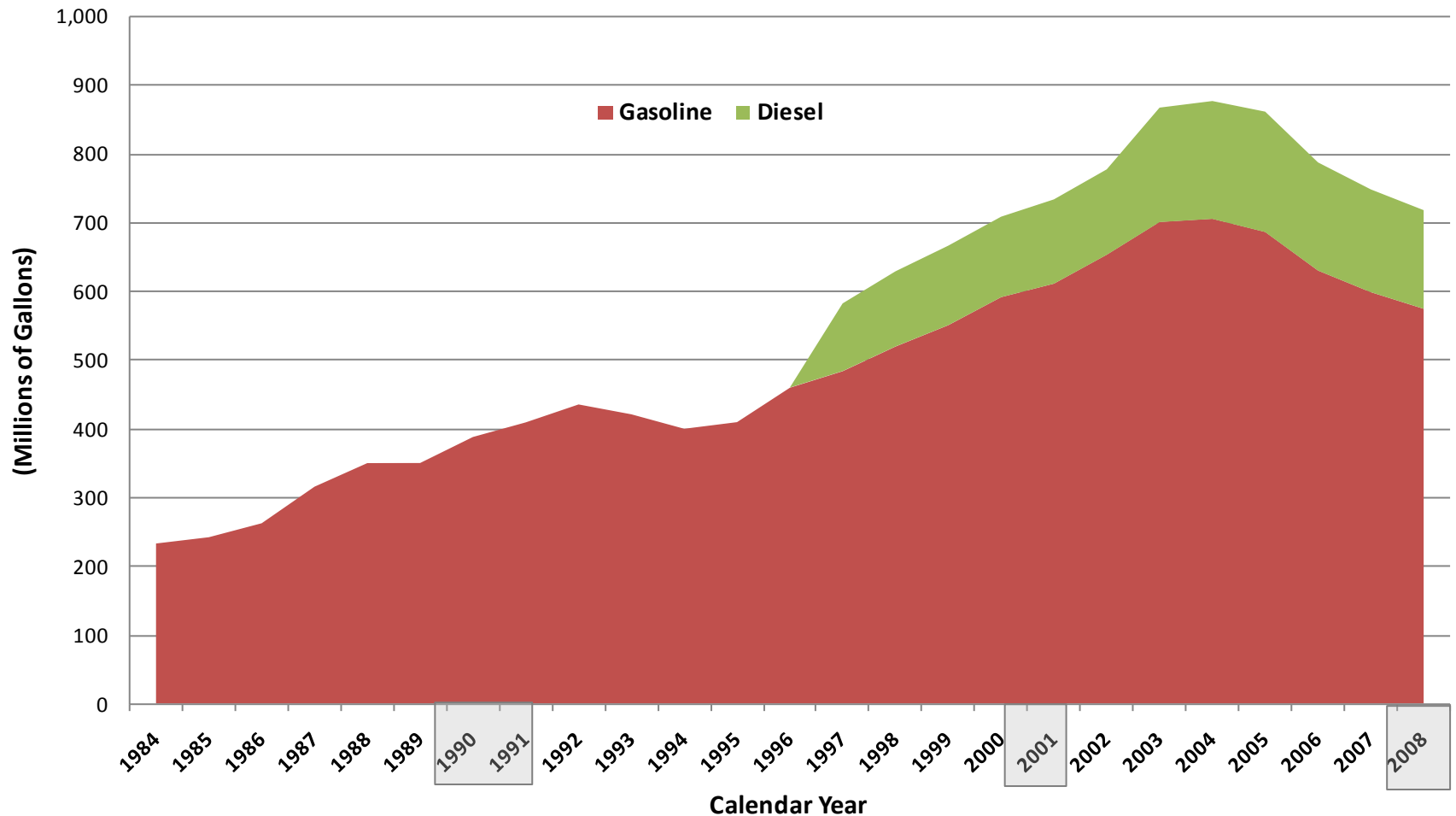
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**PRESENTATION TO  
HOUSE WAYS & MEANS AND  
HOUSE PUBLIC WORKS AND HIGHWAYS**

**BY  
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**JANUARY 29, 2009**

## Annual Motor Fuels Consumption in NH (Recession Periods in Grey)

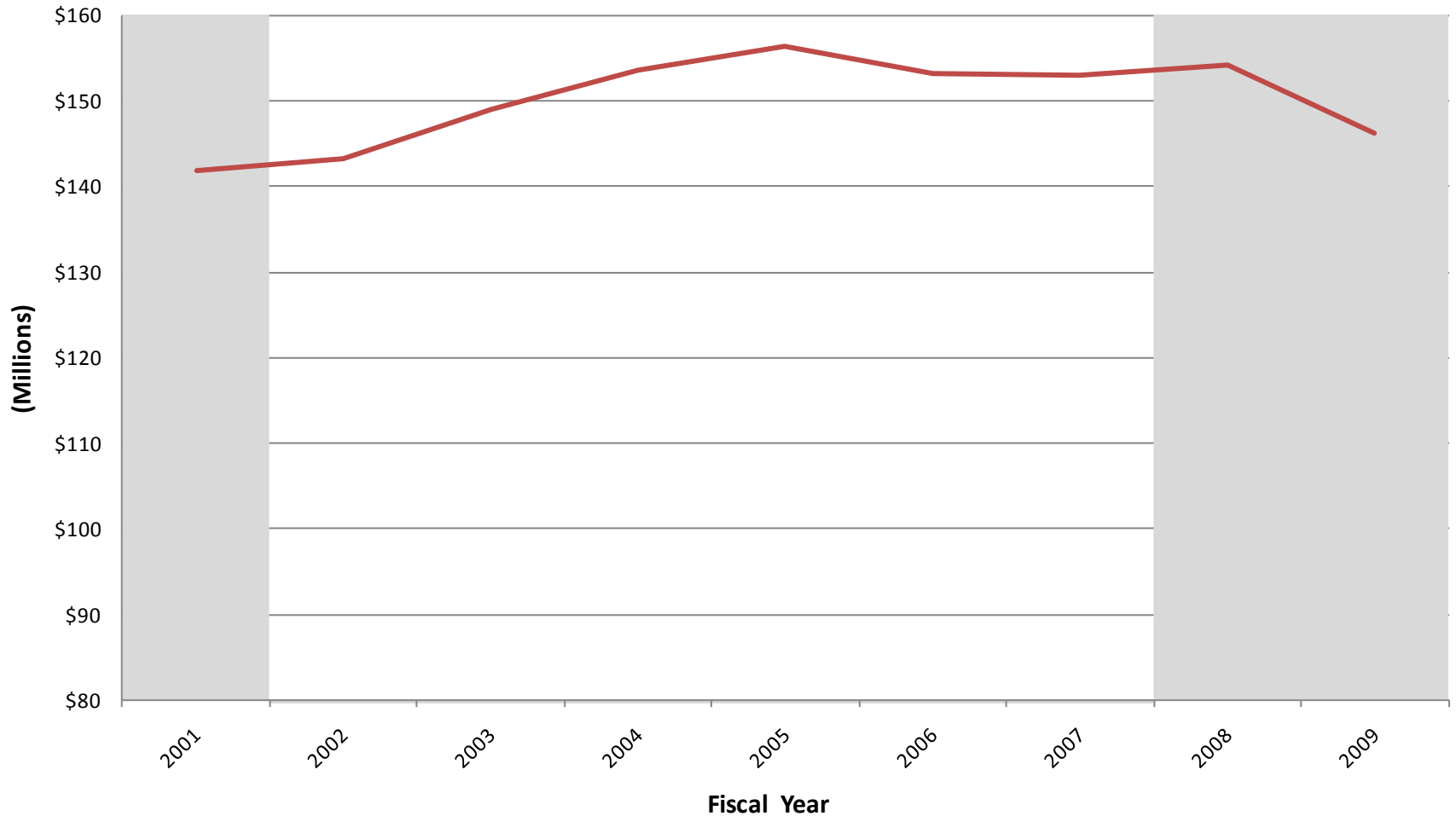


Sources: Energy Information Administration through 2008 for gasoline (December 2008 estimated) and for diesel (2007 and 2008 estimated); National recession dates are 1/1990-3/1991, 3/2001-11/2001, and beginning 12/2007 per National Bureau of Economic Research.

Note: Diesel tax was collected at the pump effective 1/1/1997 per Chapter Law 292, 1996.

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## NH Gasoline Tax Revenues (Recession Periods in Grey)

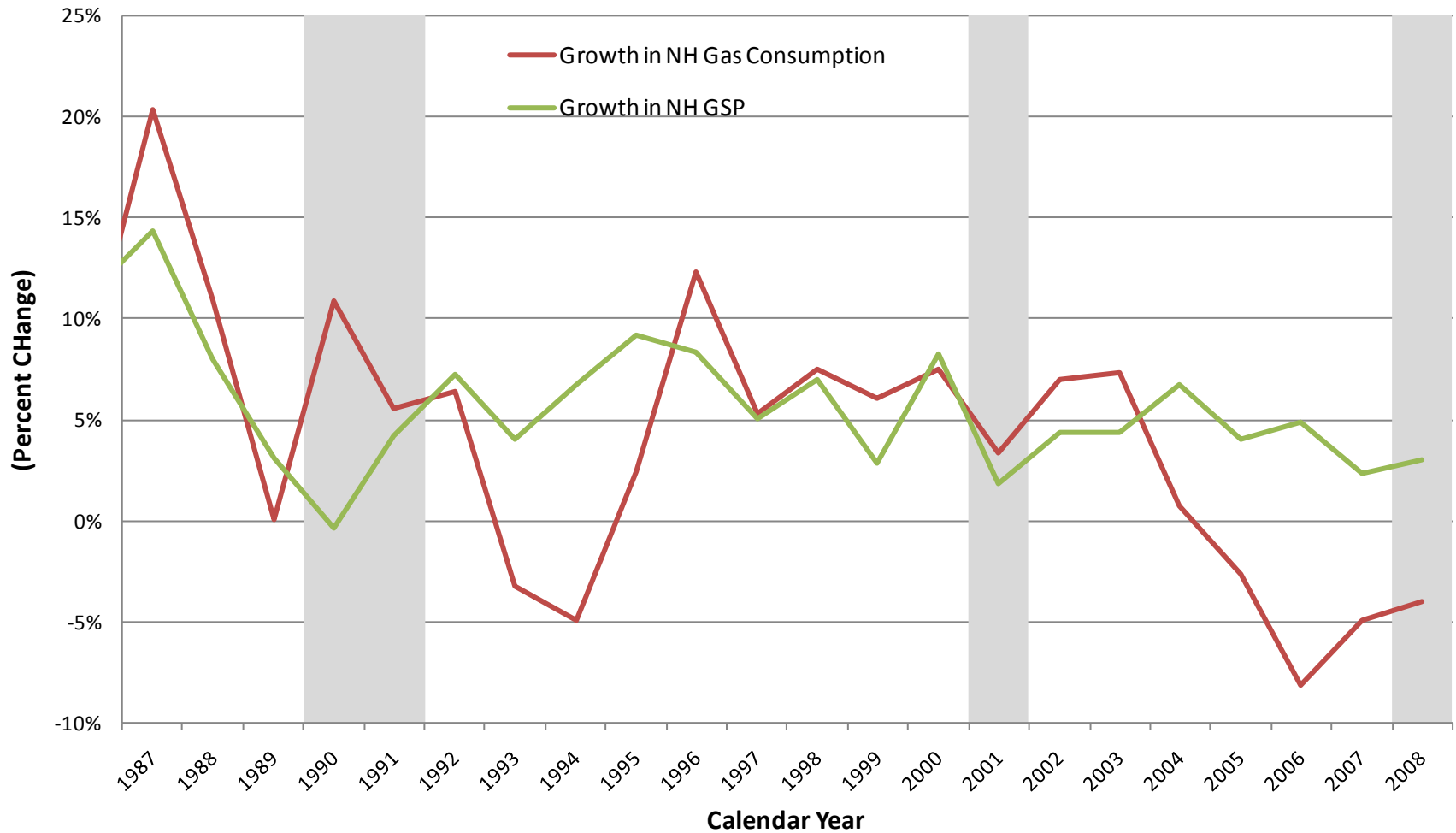


Sources: NH Dept. of Safety, Road Toll System / NHIFS Reconciliation Reports , Fiscal Years 2001-2009; National recession dates are 3/2001-11/2001 and beginning 12/2007 per National Bureau of Economic Research.

Note: FY 2009 Total Revenue is estimated at 95% of FY 2008 Total Revenue based on a year-to-date comparison of FY 2009 to FY 2008.

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# Growth in NH Gasoline Consumption and Gross State Product (Recession Periods in Grey)

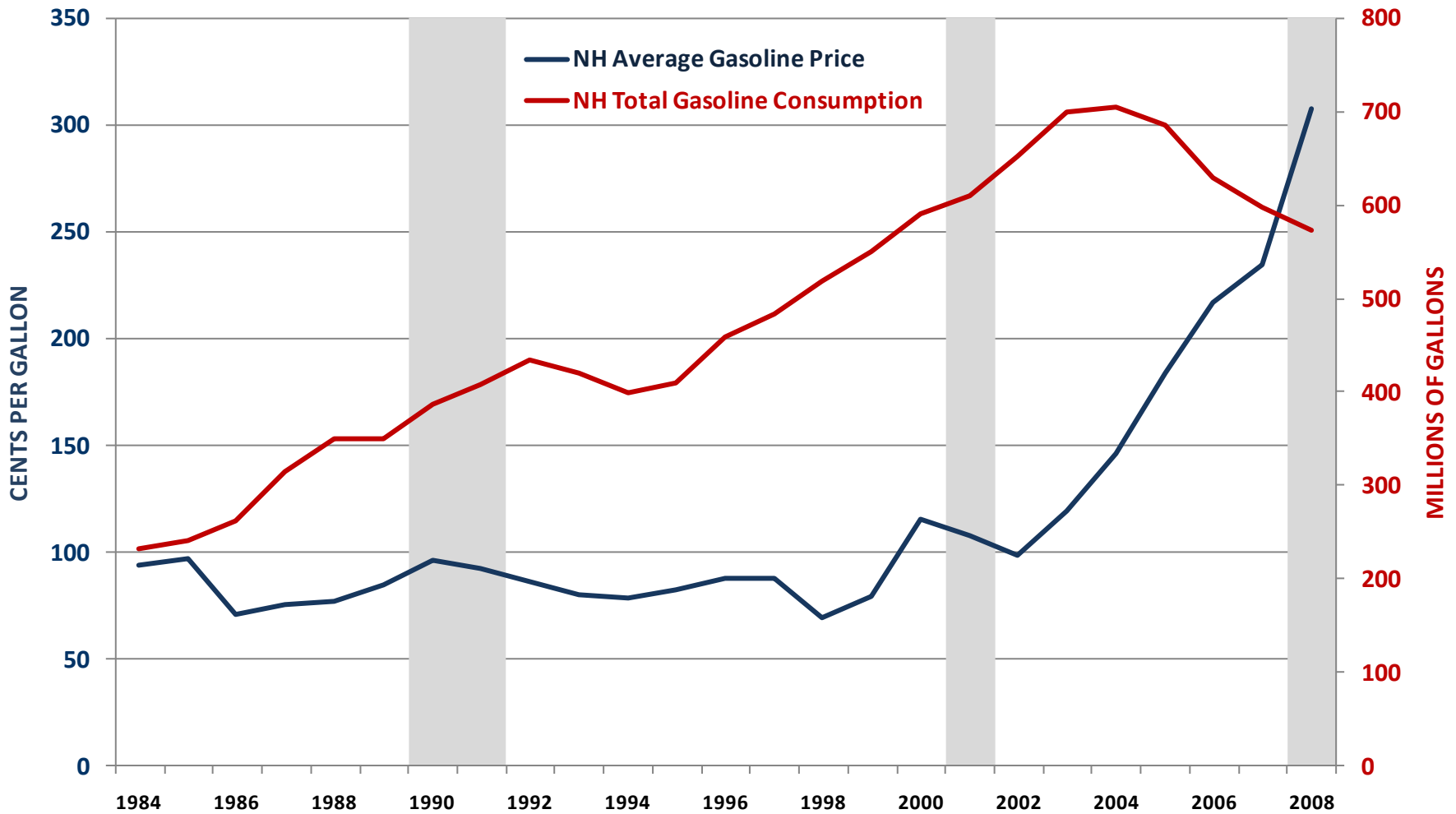


Sources: Energy Information Administration (December 2008 estimated);  
Bureau of Economic Analysis; National Bureau of Economic Research.

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# NH ANNUAL GASOLINE CONSUMPTION AND AVERAGE PRICES

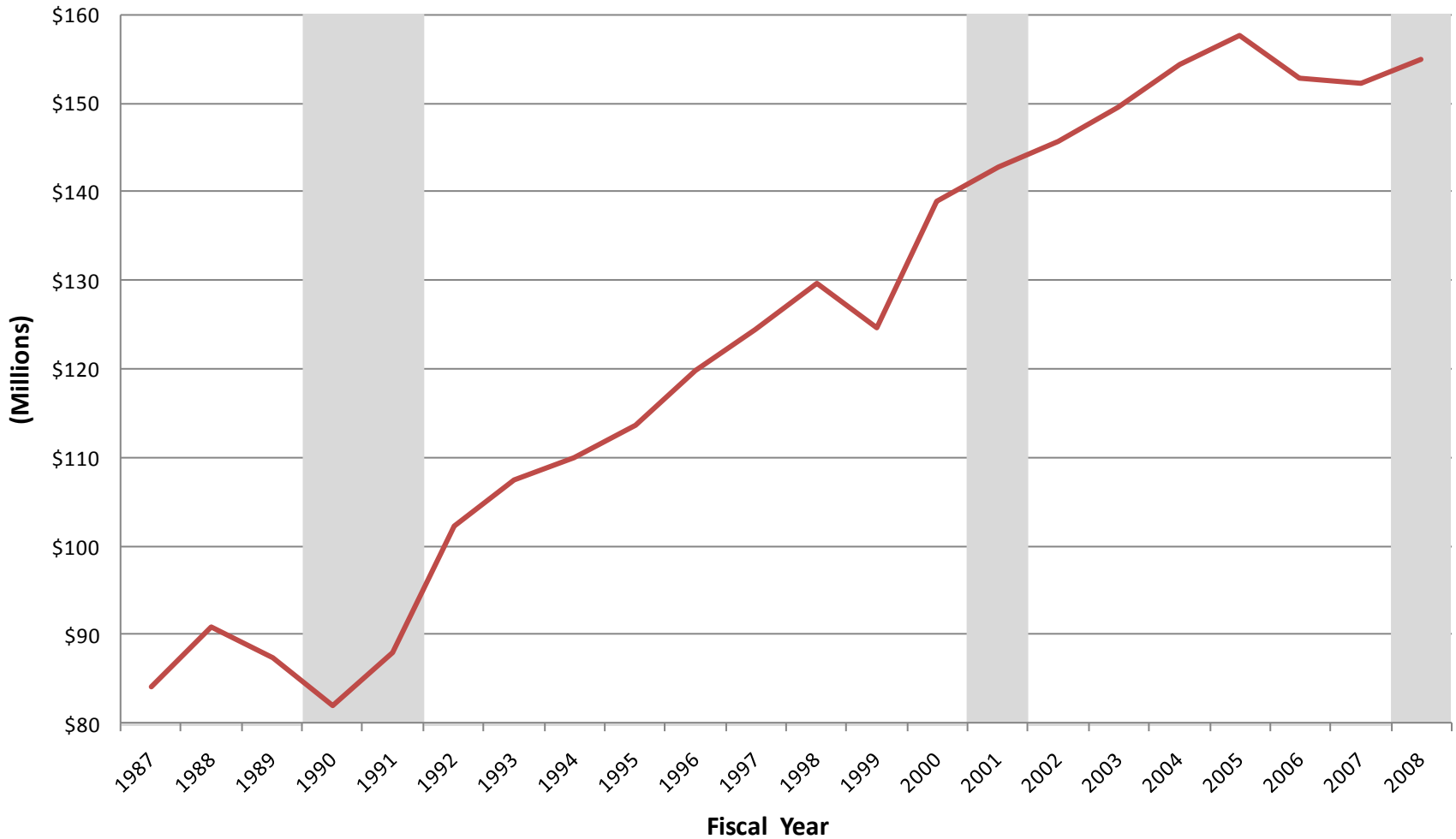
(Recession periods in grey.)



Source: Energy Information Administration (EIA), Petroleum Navigator. "NH Total Gasoline Through Company Outlets, Price by Sellers, Centers Per Gallon." (2008 Average is based on Jan. through Oct. prices.) "NH Total Gasoline All Sales/Deliveries by Prime Supplier, Millions of Gallons per Year."

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## NH Gasoline Tax Revenues (Recession Periods in Grey)



Sources: NH Department of Administrative Services, Bureau of Financial Reporting, "New Hampshire Department of Transportation, State Gas Tax / Motor Vehicle Revenues, 1987-2009"; National recession dates are 1/1990-3/1991, 3/2001-11/2001, and beginning 12/2007 per National Bureau of Economic Research.

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<b>GASOLINE – DIESEL ROAD TOLL</b>		
<b>Rate/Gallon</b>	<b>Period</b>	<b>Governor at Enactment</b>
1 cent	7/1/1923 – 1/1/1924	Fred Brown, 1923-1925
2 cents	1/2/1924 – 5/31/1927	Fred Brown, 1923-1925
3 cents	6/1/1927 - 12/31/1927	Huntley Spaulding, 1927-1929
4 cents	1/1/1928 – 4/30/1951	Huntley Spaulding 1927-1929
5 cents	5/1/1951 - 8/31/1957	Sherman Adams, 1949-1953
6 cents	9/1/1957 – 6/30/1959	Lane Dwinell, 1957-1959
7 cents	7/1/1959 – 7/31/1971	Wesley Powell, 1959 -1963
9 cents	8/1/1971 – 7/31/1977	Walter Peterson, 1969-1973
10 cents	8/1/1977 – 6/30/1979	Meldrim Thomson, 1973-1979
11 cents	7/1/1979 – 6/30/1981	Hugh Gallen, 1979-1982
14 cents	7/1/1981 – 3/31/1990	Hugh Gallen, 1979-1982
16 cents	4/1/1990 – 6/15/1991	Judd Gregg, 1989-1993
18 cents	6/16/1991 – 6/30/1998	Judd Gregg, 1989-1993

Source for rates and effective periods, Office of the Legislative Budget Assistant.

Source for Governors and their terms, *NH Manual of the General Court, No. 60, 2007*, page 93.

## NH Gasoline Tax Revenue & GSP

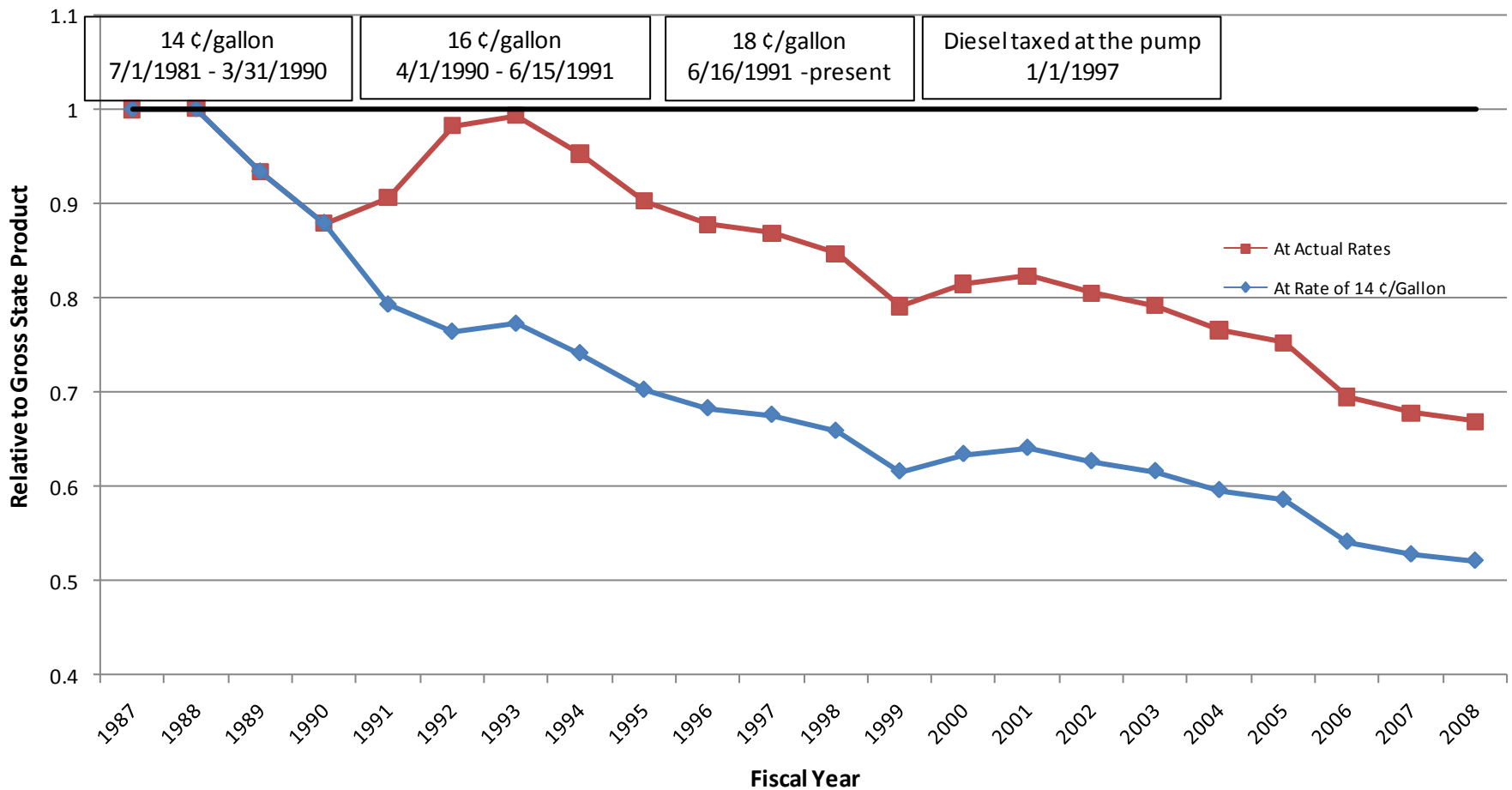
Fiscal Year	NH Gas Tax Revenues @ 14 ¢/gallon (Millions of Dollars)	NH Gas Tax Revenues @ 14 ¢/gallon (Year-Over-Year Growth)	NH Gas Tax Revenues (Millions of Dollars)	NH Gas Tax Revenues (Year-Over-Year Growth)	NH GSP (Millions of Dollars)	NH GSP (Year-Over-Year Growth)
1987	\$84.1		\$84.1		\$21,463	
1988	\$90.8	8.0%	\$90.8	8.0%	\$23,171	8.0%
1989	\$87.4	-3.8%	\$87.4	-3.8%	\$23,885	3.1%
1990	\$81.9	-6.2%	\$81.9	-6.2%	\$23,784	-0.4%
1991	\$76.9	-6.1%	\$87.9	7.3%	\$24,778	4.2%
1992	\$79.5	3.3%	\$102.2	16.2%	\$26,555	7.2%
1993	\$83.6	5.1%	\$107.4	5.1%	\$27,612	4.0%
1994	\$85.5	2.4%	\$110.0	2.4%	\$29,456	6.7%
1995	\$88.4	3.4%	\$113.7	3.4%	\$32,149	9.1%
1996	\$93.1	5.3%	\$119.7	5.3%	\$34,823	8.3%
1997	\$96.8	3.9%	\$124.5	3.9%	\$36,569	5.0%
1998	\$100.9	4.2%	\$129.7	4.2%	\$39,102	6.9%
1999	\$97.0	-3.9%	\$124.7	-3.9%	\$40,212	2.8%
2000	\$108.1	11.4%	\$139.0	11.4%	\$43,518	8.2%
2001	\$111.1	2.8%	\$142.9	2.8%	\$44,279	1.7%
2002	\$113.4	2.0%	\$145.7	2.0%	\$46,188	4.3%
2003	\$116.3	2.6%	\$149.5	2.6%	\$48,198	4.4%
2004	\$120.0	3.2%	\$154.3	3.2%	\$51,432	6.7%
2005	\$122.6	2.2%	\$157.7	2.2%	\$53,468	4.0%
2006	\$118.8	-3.1%	\$152.8	-3.1%	\$56,073	4.9%
2007	\$118.5	-0.3%	\$152.4	-0.3%	\$57,341	2.3%
2008	\$120.5	1.7%	\$154.9	1.7%	\$59,061	3.0%
Average Annual Growth		1.8%		3.1%		5.0%

NH Dept. of Administrative Services, Bureau of Financial Reporting, "New Hampshire Department of Transportation, State Gas Tax/Motor Vehicle Revenues, 1987-2009"; Bureau of Economic Analysis.



# NH Gas Tax Revenues Have Not Kept Pace with the NH Economy

## Growth in Gas Tax Revenue in Comparison to GSP

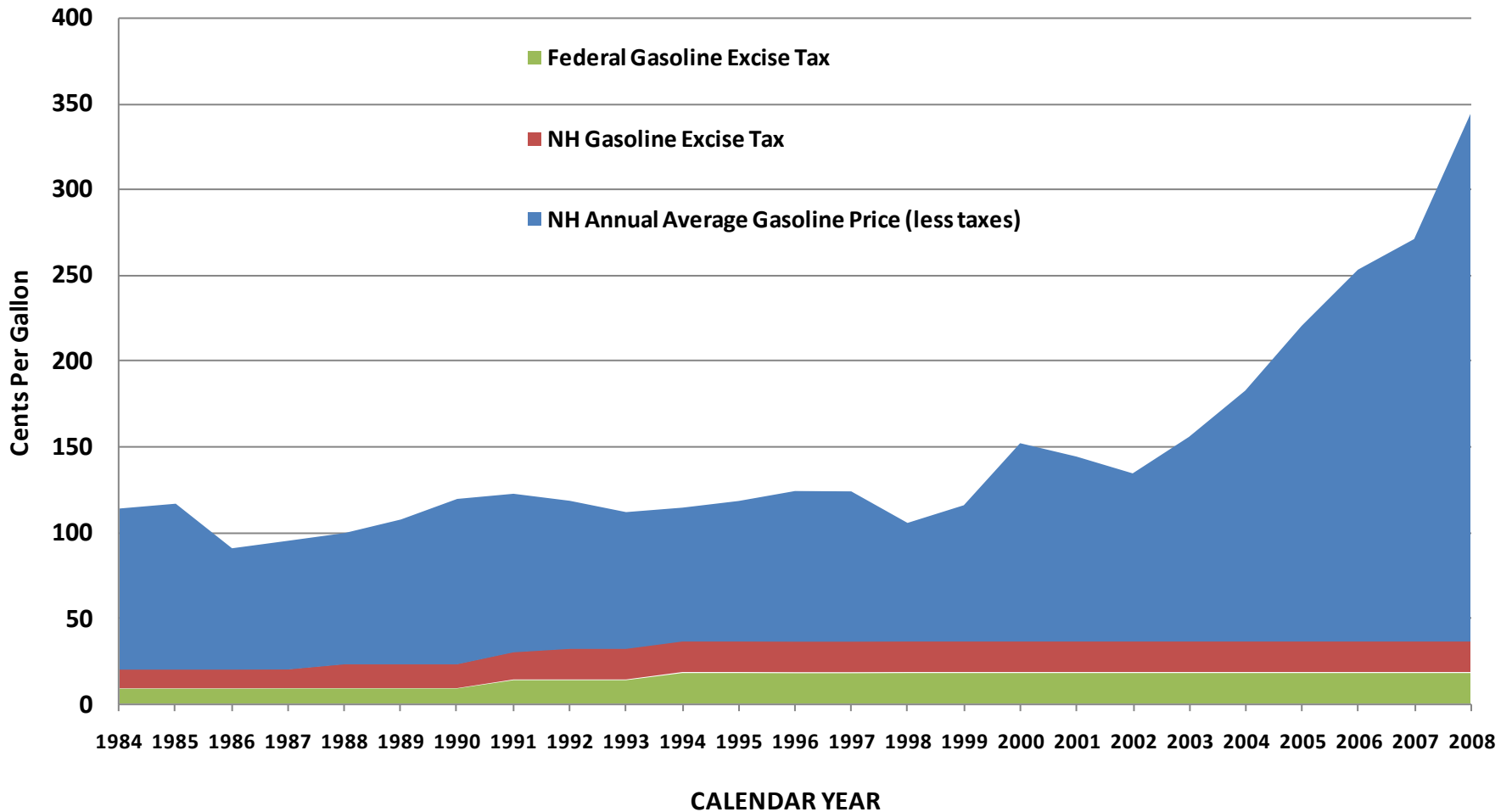


Sources: NH Dept. of Administrative Services, Bureau of Financial Reporting, "New Hampshire Dept. of Transportation, State Gas Tax / Motor Vehicle Revenues, 1987-2009"; Bureau of Economic Analysis.  
 Notes: Methodology attempts to mirror that used by Dennis Delay, NH Center for Public Policy Studies, 1/21/2009 Presentation to NH Ways & Means and Finance Committees.

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# NH GASOLINE PRICES AND TAXES

## Annual Average Price - All Gasoline Grades

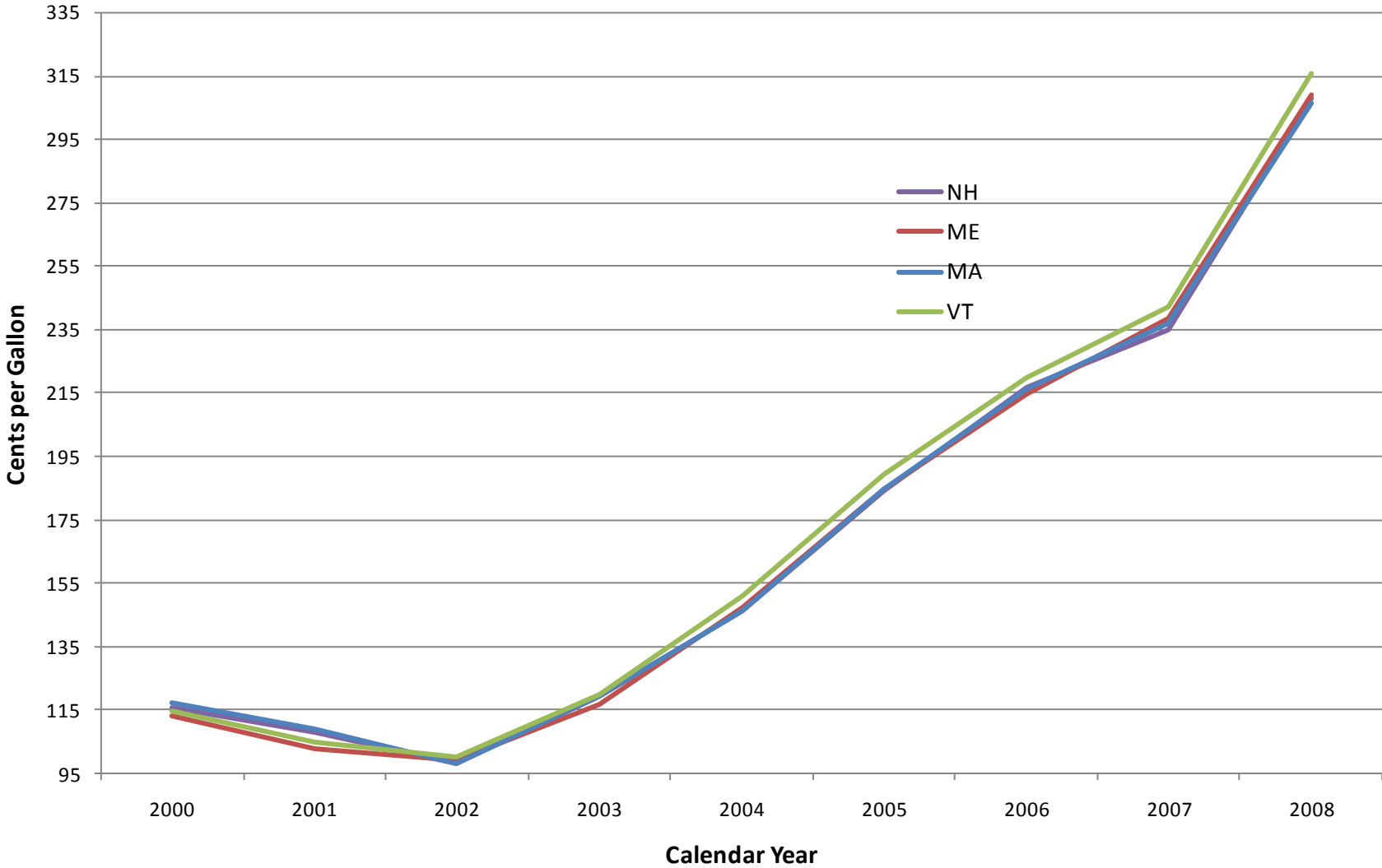


Price Source: Energy Information Administration (EIA), Petroleum Navigator, "NH Total Gasoline Through Company Outlets, Price by Sellers, Cents Per Gallon." 2008 Average is based on Jan. through Oct. prices.  
Federal Tax Source: Congressional Research Service; Tax  
NH Tax Source: A Safe Road to Tomorrow, "Use Caution: rough Roads Ahead for NH," May 2008, Pg. 6

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# Gasoline Prices in NH and Border States

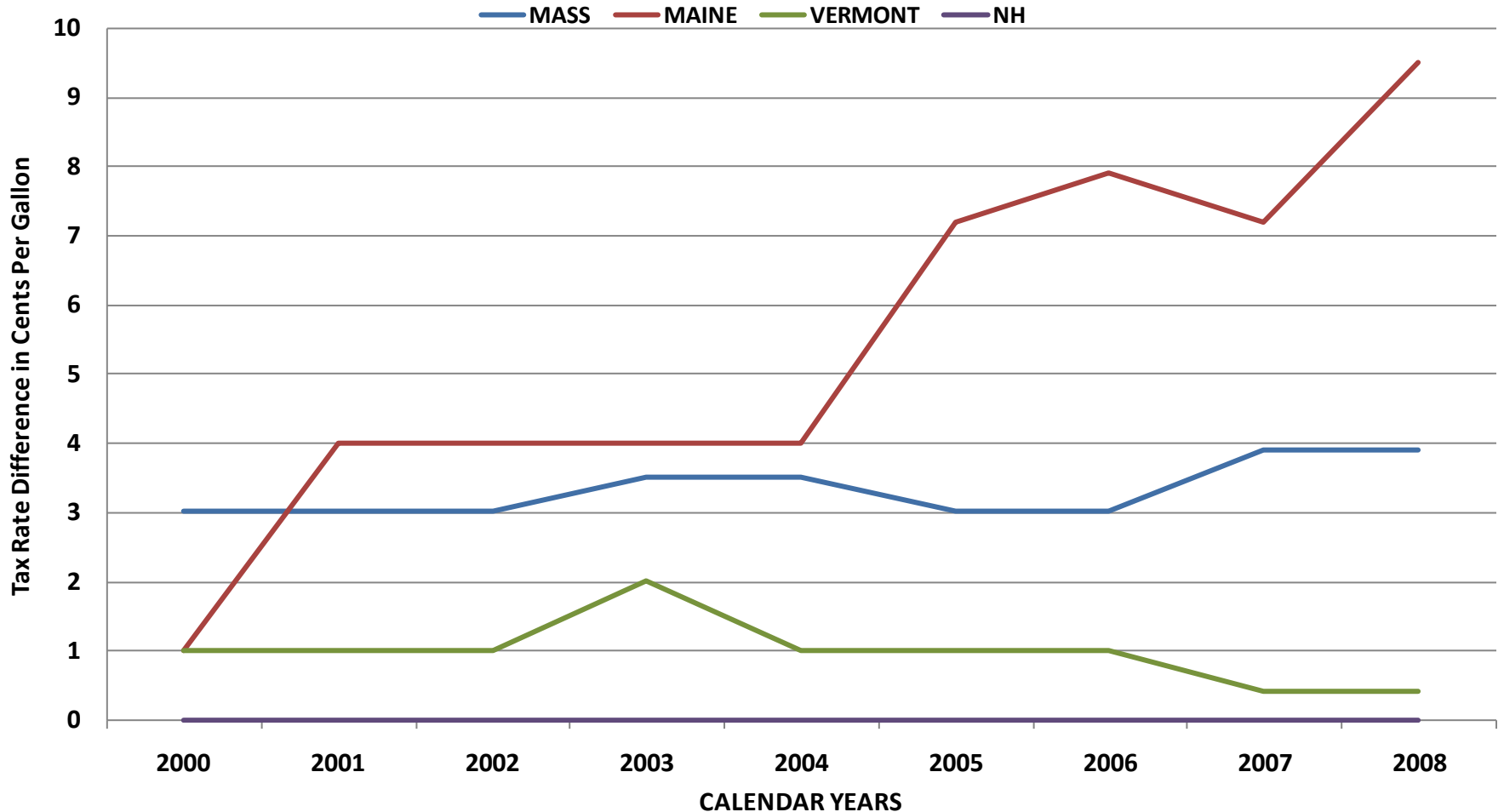
## Annual Average Price - All Gasoline Grades



Source: Energy Information Administration (EIA), Petroleum Navigator. 2008 average is based on January through October prices.

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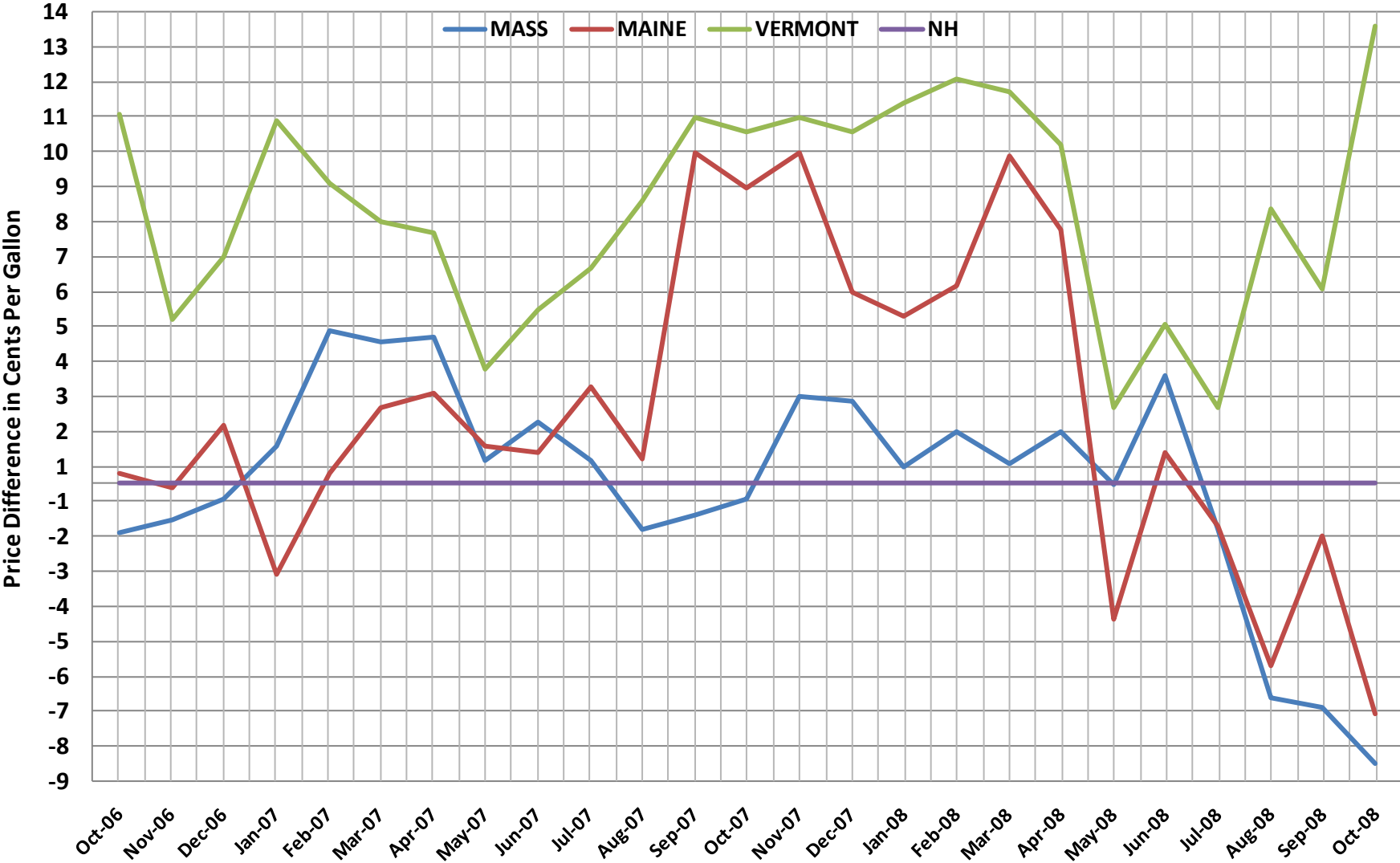
## REGIONAL GAS TAX RATES (Compared to New Hampshire)



Source: The Tax Foundation, "State Sales, Gasoline, Cigarette & Alcohol Tax Rates by State, 2000-2008." The Tax Foundation notes that starting in 2007, state gas tax rates may include additional state sales taxes, environmental protection and storage fees/taxes, and local taxes. When necessary, the volume-weighted average of all local taxes may be used by the Tax Foundation to approximate the typical statewide rate including local tax.

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# Retail Gasoline Price Comparison with NH



Source: Energy Information Administration (EIA), Petroleum Navigator, "Total Gasoline Through Company Outlets, Price by All Sellers, Cents Per Gallon"

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