

BNRT Proposal Impacts Transportation Funding

- The proposal to eliminate the state sales tax carries an unintended consequence.
- The state sales tax imposed on motor vehicle fuels is the funding source for Proposition 42, as amended by Proposition 1A.
- Proposition 42 generates approx. \$1.5 billion annually for state highway improvements, transit and local roads.

Proposition 42

- Proposition 42 was approved by voters in 2002 by an overwhelming vote of 69%.
- In 2006, Proposition 42 was strengthened through an amendment by Proposition 1A, a companion measure to Proposition 1B, the Transportation Infrastructure Bond.
- The history of strong voter approval is a compelling statement by the public in support for this funding source.

Proposition 42 and Transit Funding

(State sales tax revenues collected at the pump)

