<u>Policy Analysis: Opposition to Per-Mile Taxation Systems</u> <u>Considering the Implications for Motorcyclists in Arizona</u>

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The notion of introducing a per-mile taxation system, as modeled by Oklahoma's Fair Miles pilot project[1], has been **touted as an alternative to traditional fuel taxes to generate revenue for road maintenance and infrastructure projects**. While the aim to diversify and stabilize the revenue base is understandable, it is vital to examine the implications this system would have for motorcyclists, a significant clientele in Arizona. This analysis elucidates multiple concerns that demonstrate why Arizona should not follow Oklahoma's model.

Adverse Impact on Motorcyclists

Motorcycles generally consume less fuel than passenger cars and trucks, and therefore, motorcyclists already pay less in fuel taxes. A per-mile taxation system would disproportionately impact motorcyclists, as they would end up paying significantly more than under the current gas tax system for the same road usage.[2] Unlike heavier vehicles, motorcycles inflict less wear and tear on road surfaces, **making the proposed tax system inherently unfair to this group**.

Privacy Concerns

Any per-mile taxation system will necessitate data collection to measure the distance traveled by each vehicle. While technology can facilitate this, data privacy concerns are paramount. Motorcyclists, who often value the sense of freedom and privacy that comes with riding, may be particularly wary of governmental tracking systems.[3]

Financial Burdens

The cost of implementing and administering a per-mile tax system could be substantial. The Fair Miles project in Oklahoma alone is estimated to cost \$3.9 million. [4] These expenses would likely be passed on to taxpayers, including motorcyclists, exacerbating the financial burden on them.

Counterproductive to Environmental Goals

Many individuals opt for motorcycles as they are more fuel-efficient and less damaging to the environment compared to larger vehicles. Imposing a per-mile tax would discourage this eco-friendly mode of transportation, thereby contravening broader societal goals of reducing carbon emissions.

Recommendations for Arizona Policymakers

Exclusion for Motorcycles: If Arizona considers adopting a per-mile taxation system, motorcycles should be excluded or subject to a substantially reduced rate due to their lesser impact on infrastructure.

Consultation: Policymakers should consult with motorcyclist groups and other stakeholders to gauge opinions and impact before considering such a sweeping change.

Data Privacy Legislation: If any system involving tracking is considered, robust data privacy protections should be a precondition.

Environmental Considerations: Policies should encourage, not discourage, the use of environmentally friendly transportation options.

Conclusion

While the quest for alternative funding methods for infrastructure is valid, the proposed per-mile taxation system poses significant challenges and is particularly unfair to motorcyclists. In light of these considerations, Arizona should refrain from adopting such a system without substantial modifications to protect the interests of motorcyclists.

1. Enid News, "Stat weighs feasibility of taxing motorists per mile driven," accessed on September 19, 2023, [Enid News](<u>https://www.enidnews.com/news/</u> stat-weighs-feasibility-of-taxing-motorists-per-mile-driven/article_8cf3a-7ca-566c-11ee-8aab-e7f4f3d27082.html). 2. Federal Highway Administration, "Bipartisan Infrastructure Law," accessed on September 19, 2023, [Federal Highway Administration](<u>https://highways.dot.gov/</u>).

3. Bankrate, "Should you switch to pay-per-mile insurance?", accessed on September 19, 2023, [Bankrate](<u>https://www.bankrate.</u> <u>com/insurance/car/pay-per-mileinsurance/</u>).

4. Oklahoma Voice, "Oklahoma Weighing Feasibility of Taxing Motorists Per Mile Driven," accessed on September 19, 2023, [Oklahoma Voice](https://oklahomavoice.com/briefs/oklahoma-weighing-feasibility-of-taxing-motorists-per-mile-driven).

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