



## **VERIFY: Yes, the infrastructure bill would create a pilot program to study a mileage tax**

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The bipartisan infrastructure bill is a massive document, with more than 2,700 pages. For this reason, there is a lot of misinformation online about what policies are included in the bill.

One claim getting a lot of attention relates to a pilot program studying the possibility of a per-mile user fee, which would charge drivers by the distance they drive, rather than the gas they consume.

The Verify team read through the bill, and spoke with experts, to breakdown what the bill actually proposes.

### **QUESTION:**

Does the infrastructure bill contain a pilot program to test the mileage tax?

### **SOURCES:**

- [Michele Nellenbach](#), Bipartisan Policy Center
- [Randal O'Toole](#), Cato Institute
- [Joseph Kane](#), Fellow at the Metropolitan Policy Program at the Brookings Institution
- White House Spokesperson
- The Text Of The Bill, [H.R. 3684](#)

### **ANSWER:**

Yes, if passed, the bill would create a pilot program, to evaluate the effectiveness and practicability of a per-mile user fee. Participants who volunteer to be in the study, will pay mileage fees, although they will be refunded by the government.

### **WHAT WE KNOW:**

The Verify team received multiple emails from viewers, who were curious about the proposed per-mile user fee.

"Does president Biden's infrastructure Bill contain a pilot program to test mileage tax," asked a viewer named Doris.

The claim has been spreading on social media as well. To find out the truth, the Verify team looked to the bill itself, and got context from experts in the field.

Details of the proposed pilot program can be found on page [508 of the bill](#), in section 13002, titled "National Motor Vehicle Per-Mile User Fee Pilot."

This section of the bill mandates that the Secretary of Transportation, in coordination with the Secretary of the Treasury, and an advisory board, establishes a pilot program, to achieve the following objectives:

- "To test the design, acceptance, implementation, and financial sustainability of a national motor vehicle per-mile user fee"
- "To address the need for additional revenue for surface transportation infrastructure and a national motor vehicle user fee"
- "Provide recommendations relating to the adoption and implementation of a national motor vehicle per-mile user fee."

A per-mile user fee differs from the gas tax, because it would charge drivers for the distance they travel, rather than the amount of gas they use.

"So instead of paying at the pump for a gallon, you would pay based on the amount of miles you put on your car," said Michele Nellenbach from the Bipartisan Policy Center. "And so the provisions in the bill are to allow folks to opt into a pilot program and experiment, basically, to see how it would work."

The language in the bill calls for the pilot to include people from all 50 states, D.C., and Puerto Rico. This includes drivers of both commercial and personal vehicles. All participants would volunteer for the pilot.

Participants would keep paying the gas tax, but would also start paying a per-mile user fee. Those rates would be established by the Department of the Treasury, and once collected, the revenue would go to the Highway Trust Fund. The government would then refund the costs for these participants.

"Not more than 60 days after the end of each calendar quarter in which a volunteer participant has participated in the pilot program," the bill reads. "The Secretary of the Treasury, in consultation with the Secretary of Transportation, shall estimate an amount of payment for each volunteer based on the vehicle miles submitted by the volunteer for the calendar quarter and issue such payment to such volunteer participant."

One question that the pilot looks to answer is about what technology should be used to successfully track a per-mile user fee, while simultaneously guaranteeing privacy. The bill listed numerous possible tools that can be used:

- Third-party onboard diagnostic (OBD-II) devices
- Smartphone applications
- Telemetric data collected by automakers
- Motor vehicle data obtained by car insurance companies
- Data from the States that received a grant under FAST Act
- Motor vehicle data obtained from fueling stations

"The question is how can we do it and maintain people's privacy," said Randal O'Toole from the Cato Institute. "And do it efficiently so that it doesn't cost a lot of money to collect the fees. And a pilot project will be able to answer those questions."

There is a cost to conduct this study. The bill allocates \$10 million per year from 2022 to 2026 to conduct this pilot program.

The Verify team reached out to the White House, and received the following statement from a spokesperson, in regards to this section of the bill:

*There is nothing in the bill that is counter to the president's pledge of not raising taxes on those making less than \$400,000 a year. This refers to a federal pilot program based on individual volunteers, who will receive full refunds, for studies that would then only be the basis for recommendations about future legislation. The administration will evaluate all legislation, including any bills relevant to these pilot programs, against the \$400,000 pledge.*