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The Main Takeaway:

As the Oregon Department of Transportation moves towards adopting road usage charge (RUC) fees for highway finance in the future, this research seeks to inform policy makers of the impacts of switching from the traditional fuel tax. While overall the RUC is more regressive than the fuel tax, the degree of regressivity varies between different regions of the state. In general, rural households drive more than urban households. However, results indicate that certain types of rural households, such as those in coastal communities along the Oregon Coast, have vehicle miles traveled (VMT) demand similar to urban households, including those in downtown Portland. Also, households with hybrid and electric vehicles have lower VMT demand than households owning only traditional motor vehicles.

Title: *Economic Analysis of a Road Usage Charge*

Abstract:

This study evaluates the distributional impacts of an alternative public roads finance method, a road usage charge (RUC) fee, on lower income households and rural households in Oregon. Previous studies on the possible effects of switching from a traditional state fossil fuels tax to a RUC fee were limited to using the National Household Travel Survey (NHTS), a national data set containing only several hundred state-specific households. This research uses the 2013 Oregon Household Activities Survey, a rich data set containing over 15,000 Oregon households with a five tiered ranking system that better reflects the degrees of rurality experienced by households across the state. Results indicate that overall, a RUC is more regressive than the fuel tax. However, the degree of regressively depends both on household income levels and household location.

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