

**Taxation and Budget Reform Commission  
Economic Impact Analysis  
of SR-36**

**Description**

- SR-36 proposes changes to Florida Statutes to modify and adjust fees and taxes that support transportation funding.
  - Increases motor vehicle registration fees and provides for indexation to national CPI in future years,
  - Increases service charges on title fees and provides for indexation to national CPI in future years,
  - Increases other service fees and provides for indexation to national CPI in future years.
  - Additional revenues from adoption of SR-36 are directed to State Transportation Trust Fund.
  - SR-36 removes the local option county gas taxes and replaces that with a mandated 12 cents per gallon county gas tax, and indexes future levies to national CPI.

**Background and Assumptions**

- The combination of tax measures in SR-36 is estimated to generate \$12.97 billion over the FY2008-09 to FY2016-17 period, according to the Florida Department of Transportation.
- The economic impacts of SR-36 occur along two paths: the increase in funding provides for additional roadway improvements and other eligible transportation projects; and the increase in taxes raises the price of motor vehicle fuels, reducing the purchasing power of households and increases roadway transportation costs to businesses. The former path provides economic stimulus, while the latter provides contractionary pressure on the economy.

**Estimated Economic Impacts**

- The assessment of the net economic impacts from SR-36 was determined through simulations with a Florida REMI model, and indicate a positive impact on economic growth from FY2008-09 to FY2016-17.

- SR-36 would add an average of 7,000 jobs per year, \$4.5 billion in additional labor compensation and \$5 billion in additional Florida real GDP over this period. SR-36 would also increase the consumer price index by an average of 1.5 percent.

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