



RESEARCH NEED STATEMENT

Call for Projects 2015

Project Research Title: Fuel Tax Revenues from the Towing Industry: Assessment of Actual Taxes Paid versus Taxes Reported for Inclusion in the Transportation Equity Fund

TDOT Sponsor Director: Liza Joffrion

List TDOT Research Team Lead: Kwabena Aboagye

List TDOT Research Team Members: Kwabena Aboagye, LaRosa Collier

1. Define the problem or research requested. What is the goal/objective of the research?

Towing companies pay tax on vessel fuel at the point of purchase. However, these taxes are only deposited in the Transportation Equity Fund if towing companies voluntarily report their taxes paid to the Department of Revenue. Without submission of this report, the fuel taxes paid by towing companies remain in the General Fund. Discussions with towing companies suggest that there is substantial underreporting. The objective of this research is to determine the extent of underreporting and estimate the amount of funding available to support waterborne transportation projects if all taxes paid were reported. Additionally, the effort will suggest means of improving reporting compliance.

2. Is this research a continuation of a past or present project?

☐ No ☐ Yes

If yes, provide current research project title, RES # and reason for the project continuation.

3. Describe anticipated benefits/expected deliverables.

Estimate of fuel taxes paid by towing companies that would be deposited into the Transportation Equity Fund if reporting were complete. Identification of entities that would be expected to submit reports of taxes paid. Recommendations for improving the rate of reporting.

4. What is your timeline for completion of the research?

12 months

5. List the anticipated tasks for this research.

Identify entities that are asked to report on fuel taxes paid on the "green form" for the Transportation Equity Fund.

Work with Department of Revenue to identify actual tax payments by those entities.

Determine the extent to which underreporting is taking place.

Recommend ways of improving reporting.

6. Describe how the project results will be implemented?

The results will serve as input to recommendations to the commissioner to help improve collection and reporting of equity fund contribution in the waterway sector.

7. Will this study produce software, web page or other technology that will involve the Information Technology Division?

☒ No ☐ Yes, please describe:

8. Will training be provided to employees as a result of this research?

☒ No ☐ Yes, please describe:

9. Will this research involve equipment or materials purchase?

☒ No ☐ Yes, please describe:

10. Research must support the Long Range Transportation Plan Policy Recommendations **and/or** TDOT Operational Goals and/or Strategic Initiative. *(See attachments for additional information)*

Please indicate which categories the research will support:

Transportation Long Range Plan Policy Recommendations

☐ (A) Accessibility

☐ (B) Safety, Security, and Transportation
Resilience

☐ (C) Coordination, Cooperation, and Consultation

☐ (D) Demographic and Employment Changes and Trends

☒ (E) Freight Logistics and Planning

☒ (F) Financial

☐ (G) Mobility

☐ (H) Travel Trends and System Performance

TDOT Operational Goals and/or Strategic Initiative

☐ (A) Deliver transportation projects on schedule and within budget

☐ (B) Maintain the state transportation system to protect the long term investment in our infrastructure assets

☐ (C) Operate and manage Tennessee's transportation system to provide a high level of safety and service to our customers and workers

☒ (D) Expanding mobility choices to maximize access

☒ (E) Dramatically change the paradigm for delivery of transportation products and service to improve the efficiency and effectiveness of Tennessee's transportation network

11. Please explain how the research supports the Long Range Transportation Plan Policy Recommendations **and/or** TDOT Operational Goals and/or Strategic Initiative selected above:

This research supports expanding mobility choices by identifying revenues already being collected that could be directed to water transportation projects with improved reporting.

For additional information, please contact:

Stephanie Vincent

TDOT Research Program Administrator

Telephone: (615) 741-2203

Email: Stephanie.Vincent@tn.gov