

SHARED TAXES

Thirty-six States have earmarked a portion of State revenue, totaling \$886 million in 1962, to be returned to local governments for highways. The taxes so earmarked are diverse, although most of the revenue devoted to highways comes from the taxing or licensing of automobiles or gasoline. The rationale for earmarking these revenues for highways is that the highway users are thus paying for highway maintenance and construction.

In 26 States the motor fuel sales tax is shared with counties and/or cities. In 12 States, motor vehicle license revenue is shared; in some of these States only fees from commercial vehicle licenses are shared. Eight States return a portion of "highway user revenue," (which includes one or more of gasoline tax, registration fees, weight taxes, and other taxes pertaining to highway users). Colorado diverts part of its motor vehicle property tax to local governments and Florida shares its auto transportation mileage tax.

Other States devote portions of taxes not closely connected to highway use to local roads. Arkansas, North Dakota, and Oklahoma share their severance taxes with local governments; Mississippi, part of its general sales tax revenue; and South Dakota, its fish and game license revenue.

TABLE 3.—The role of State aid in the financing of local roads and streets, 1951-63

[In millions]

Year	State aid	Federal aid	Borrowing	Total receipts	Ratio of State aid to net receipts ¹	Capital outlay	State aid for capital outlay
1951.....	\$696.0	\$9.0	\$304.2	\$2,122.0	0.385	\$715.0	\$154.7
1952.....	762.0	17.7	550.3	2,540.8	.386	860.0	112.7
1953.....	823.2	18.7	353.5	2,506.0	.386	956.0	225.3
1954.....	888.0	18.7	405.4	2,685.4	.393	1,016.0	232.6
1955.....	921.4	16.8	614.6	3,015.8	.386	1,039.0	176.6
1956.....	991.9	21.3	492.8	3,068.0	.388	1,037.3	203.0
1957.....	1,084.1	28.3	577.5	3,344.0	.396	1,132.5	208.6
1958.....	1,126.7	26.3	513.8	3,397.4	.394	1,204.5	261.8
1959.....	1,176.3	20.9	686.7	3,654.0	.399	1,142.4	173.5
1960.....	1,234.9	30.3	622.4	3,720.1	.403	1,156.4	203.0
1961.....	1,226.0	30.9	635.7	3,928.3	.376	1,224.7	209.8
1962.....	1,317.0	31.1	598.0	3,967.8	.395	1,284.6	259.3
1963.....	1,396.5	34.8	633.6	4,161.9	.397	1,312.6	255.7

¹ Receipts exclusive of Federal aid and borrowing.

Source: U.S. Bureau of Public Roads, Highway Statistics, 1951-63.

GRANTS-IN-AID

Eleven States make direct grants to counties for rural roads, sometimes designated as "farm to market roads." Fourteen States make grants to cities for streets, usually for all streets although a few States limit their aid to "connecting streets" or "arterial roads."

In addition to these broad grants, several States give aid to local governments identifiable for specific purposes. Massachusetts and Wisconsin give aid for bridges; in Wisconsin the aid is limited to swing and lift bridges. Several States give flood aid. In Mississippi aid is given to "seawall counties" for construction of seawalls to protect the highways from flood damage; Wisconsin gives aid for repair of flood damage to roads; and in California aid is given for repair