

# AIR QUALITY SURCHARGE

Washington is in **urgent need** of transportation funding. **Initiative 976 strips \$1.9 billion** over six years from state transportation funding<sup>1</sup>, while **statewide demand** for mobility options and **congestion relief continues to climb**.

## CLEANER AIR AND SUSTAINABLE FUNDING THAT

**Fills the revenue gap** left by I-976, by raising \$2.3 billion or more in six years

**Encourages cleaner vehicle purchases** and spur electric vehicle adoption

**Stays flexible** and is easy to implement

**Impacts only a small portion** of Washingtonians who tend to be more affluent

## HOW DOES IT WORK?

The AQS would be a one-time charge on the sale of new vehicles, as well as a one-time charge on the remaining life of a vehicle being retitled in Washington for the first time. There would be no charge for the purchase of a used vehicle. The charge would vary based on a vehicle's estimated lifetime greenhouse gas pollution, calculated from average national driving habits and the car's EPA combined fuel economy rating.



**Calculate annual fuel usage, based on EPA combined fuel economy**

Example: An average new vehicle gets 24 mpg, using 500 gal to drive 12,000 mi/year

**Calculate lifetime emissions (or remaining lifetime emissions for retitled vehicle)**

Example: 500 gal for 12 years equals 52.9 tons of emissions

**Apply a \$20/ton one-time surcharge at time of purchase**

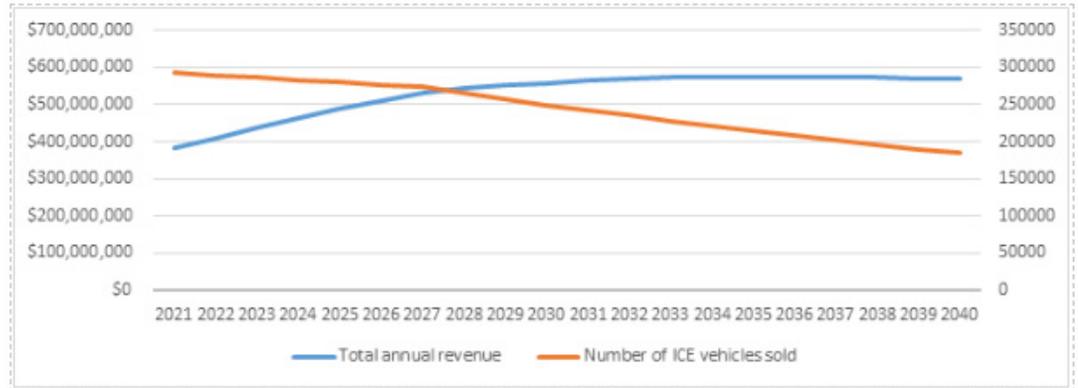
Example: Average new car would pay \$1,058

**The Air Quality Surcharge is an efficient, effective, progressive, and climate-friendly policy that can fill Washington State's transportation funding gap left by I-976.**

### Air Quality Surcharge Projected Revenue

This graph assumes a \$2/ton/year fee increase, increased vehicle efficiency and declining sales of ICE vehicles.

**The AQS creates an immediate incentive to purchase more efficient, less polluting vehicles, cutting Washington's greenhouse gas emissions and contributing to air quality improvements through reduced particulate matter, nitrous oxide, and other pollutants. The AQS fee should increase over time to account for the increasing societal impacts of pollution and for inflation.**



## PROGRESSIVE REVENUE SOURCE

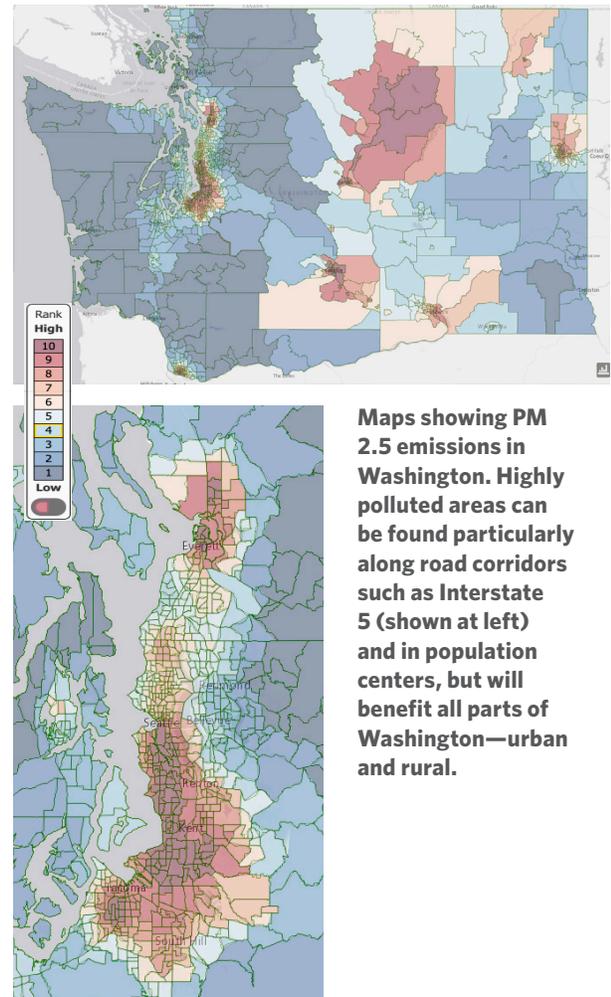
**The AQS is a progressive source of revenue** that would only impact a small number of Washingtonians each year. Since it will apply only to new vehicles, it will be paid by people who are more affluent than average—the average new car purchaser has an income equal to the 80th percentile or above in Washington.<sup>2,3</sup> The policy would not adversely impact rural or suburban drivers who must drive more because the fee would be based on average, not individual, driving habits. This source of progressive revenue will be substantial for the next few decades and will be easy to adjust and implement.

## CLIMATE PROTECTION

**Washington State is not on track** to meet its statutory greenhouse gas emissions reduction obligations. The transportation sector is the state's largest source of greenhouse gas pollution.<sup>4</sup> The AQS will incentivize efficient vehicles, helping reduce greenhouse gas emissions in the transportation sector and supporting the broader electric vehicle industry.

## CLEANER AIR

**1,100 Washingtonians die each year** due to outdoor air pollution.<sup>5</sup> Fossil fuel-powered vehicles produce harmful air pollution, including particulate matter and nitrous oxide, that worsen our health and the climate crisis. These harms can easily be seen along roadways. The AQS would promote cleaner vehicles and help clean our air.



**Maps showing PM 2.5 emissions in Washington. Highly polluted areas can be found particularly along road corridors such as Interstate 5 (shown at left) and in population centers, but will benefit all parts of Washington—urban and rural.**

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1 Association of Washington Cities, <https://wacities.org/data-resources/understanding-the-impacts-of-initiative-976>.  
 2 Hedges & Company, <https://hedgescompany.com/blog/2019/01/new-car-buyer-demographics-2019/>.  
 3 Office of Financial Management, [https://www.ofm.wa.gov/sites/default/files/public/legacy/economy/income\\_wealth/income\\_wealth\\_update\\_2013.pdf](https://www.ofm.wa.gov/sites/default/files/public/legacy/economy/income_wealth/income_wealth_update_2013.pdf)  
 4 Washington Department of Ecology, <https://fortress.wa.gov/ecy/publications/documents/1802043.pdf>.  
 5 Puget Sound Clean Air Agency, <https://www.pscleanair.org/161/Air-Pollution-Your-Health>.