



Is Michigan a “donor state”?

If Washington isn't returning our fair share of federal fuel tax, maybe that's the source of our funding problems?

Donor State No Longer

While in the past, Michigan received less back in funding from the federal Highway Trust Fund, since 2005, Michigan has received more than it has contributed in federal fuel taxes. Cumulatively since 1956, when the Highway Trust Fund first distributed fuel tax revenues to the states, Michigan has received 98 cents for each \$1 contributed.

Over the past several years, for every \$1 Michigan has sent to Washington, it has received:



No More Donor States

In fact, in recent years, every state has sent less in fuel tax revenue than they've received in federal transportation funding. This is because while fuel tax revenues have not kept pace with inflation, Congress has transferred millions into the Highway Trust Fund to keep it solvent. Along with the American Recovery and Reinvestment Act (ARRA) funding, all states have received more than they've contributed in fuel taxes.

Michigan as a Donee

Since Michigan contributes about \$1 billion each year in federal fuel taxes, any debate over the amount returned to Michigan wouldn't solve the overall funding problem. Even if Michigan received \$2 back for each \$1 paid in federal fuel tax, that still wouldn't raise the estimated \$1.2 billion in additional annual funding most agree that our state needs to invest in transportation.

Why Donor/Donee States Anyway?

Why would some states receive more back than they contributed, and vice versa, in the first place? For one reason, large western states with small populations and numbers of drivers would not be able to raise enough funding to maintain their portion of the national highway system. Since it is a national system, funding is distributed based on need, not just contributions.

Source: Federal Highway Administration

Even though Michigan's no longer a “donor state,” Michigan roads still need help.