

October 14, 2016

## Governor Signs TTF Reauthorization

Today, the Governor signed legislation to reauthorize the Transportation Trust Fund (TTF) was approved by both the State Senate and the General Assembly. The legislation includes an increase in the motor fuel taxes, effective November 1 and a combination of tax reductions. Of particular note to local governments is the doubling of the local aid portion of TTF, which was a key component in earlier plans. The Governor also issued Executive Order 216, which lifts the shutdown order on TTF funded projects.

Please click [here](#) for the Governor's press release on the bill signing.

The major components of the new law are, as follows:

- 1) An 8-year program, generating \$16 billion in state revenues and matching funds from the Federal Government.
- 2) A Local aid funding from the TTF doubled from \$200 million to \$400 million, per year.
- 3) A \$0.23 increase in the motor fuel taxes, which would likely take effect starting in early November.
- 4) An incremental reduction in the sales tax, with a 1/8th reduction to 6.875%, effective January 1, 2017 and a 1/4th reduction to 6.625% effective January 1, 2018.
- 5) An Earned income tax credit increase from 30% to 35%, effective for tax year 2016.
- 6) An Incremental Gross Income Tax threshold increases for pensions and retirement monies over 4 years, reaching \$100,000 for joint filers; \$75,000 for single filers and \$50,000 for married but filing separately.
- 7) A Veterans' exemption for income tax.
- 8) The Phase out of estate tax between now and January 2018; with an increase the

current threshold of \$675,000 to \$2 million as of January 2017, and complete elimination as of January 1, 2018. Please [click here](#) for A-10 and [click here](#) for A-12.

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