



Department of Transportation
Two Capitol Hill
Providence, RI 02903

Office 401-222-2450
Fax 401-222-3905
www.dot.ri.gov

April 2, 2026

The Honorable Louis P. DiPalma
Chairman, Senate Finance Committee
State House
Providence, RI 02903

RE: 2026 S 2668 – An Act Relating to Motor and Other Vehicles – Motor Fuel Tax

Dear Chairman, DiPalma:

Thank you for the opportunity to provide context regarding S 2668. The bill would set RIPTA's motor fuel tax allocation at the greater of \$0.1175 per gallon or 29.375% of total proceeds. RIDOT estimates this restructuring would result in an annual reduction of approximately \$7.5 million in Motor fuel revenue, currently supporting its capital program, including the required state match for federally funded projects. Given that federal transportation funding typically operates on an 80/20 cost-share basis, any changes to the Motor Fuel Tax allocation formula would warrant further analysis to assess potential impacts on project delivery and the state's ability to leverage federal dollars.

Governor McKee's FY 2027 budget proposal directly addresses RIPTA's projected \$13.8 million operating shortfall through a multi-part strategy: a \$9.3 million annual increase in the base share of HMA revenue allocated to RIPTA for operating support, \$3.5 million in Rhode Island Capital Plan Funds for bus purchases, and \$1.0 million in additional cruise operator fees. The Governor's approach is designed to meet RIPTA's funding needs while preserving the structural integrity of the HMA and RIDOT's capital program. We appreciate the Committee's consideration and remain available to provide any additional information.

Sincerely,

Robert Rocchio, P.E.
Interim Director, Rhode Island Department of Transportation

The Honorable Louis P. DiPalma, Chair

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cc: The Honorable Members of the Senate Finance Committee
The Honorable Sam Zurier
Kristen Silvia, Director of Legislation and Deputy Chief of Staff