



# LRTMP

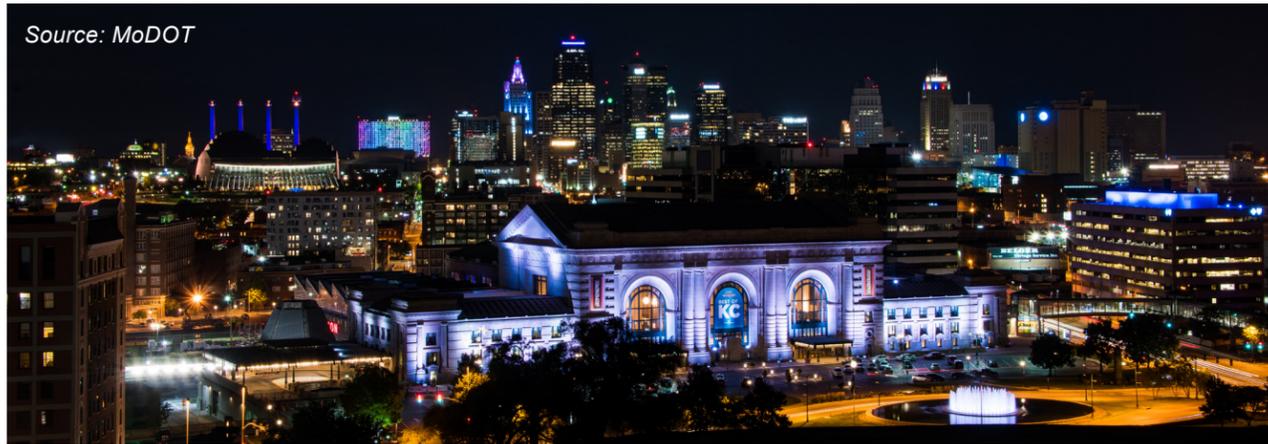
Long-Range  
Transportation  
Plan

Revenue Forecast

**DRAFT**

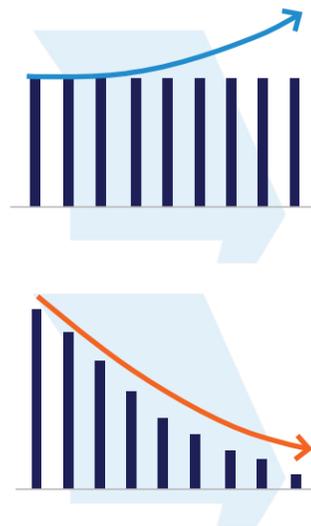
# Introduction

Source: MoDOT



Sustainable and predictable funding provides critical support for maintaining and enhancing Missouri’s transportation system. This chapter assesses the Missouri Department of Transportation’s (MoDOT) funding based on current revenue sources and projected needs. The analysis indicates that revenues are not keeping pace with needs for two primary reasons:

- Several MoDOT funding sources are fixed and do not adjust with inflation, while the cost of addressing needs continues to rise. This challenge affects both road and bridge needs as well as multimodal programs.
- As vehicle fuel economy improves and more drivers switch to hybrid vehicles, plug-in hybrid vehicles (PHEVs) and electric vehicles (EVs), fuel consumption and fuel excise tax revenues decline. This primarily affects road and bridge programs, since fuel tax revenues are dedicated to road and bridge needs.



# Methodology

Together, these trends create growing gaps between available revenues and the state’s transportation needs. Furthermore:

- Aging infrastructure (e.g. bridges, pavements) requires high-cost maintenance to support safety and service quality.
- Fiscal Year (FY) 2026 state budget actions reduced transit operating assistance by roughly 42%, cutting \$5 million from prior allocations.
- Combined pressures on road/bridge programs and multimodal programs (including transit) limit the state’s ability to meet transportation needs and leverage federal funds.
- Projected shortfalls emphasize the need to incorporate revenue and cost trends into long-term planning.
- Alternative funding strategies may help MoDOT keep Missouri’s transportation system safe and efficient.

The primary objective of this funding assessment is to identify the timing and magnitude of MoDOT’s long-term funding gap. This analysis quantifies when revenues are expected to fall short of documented needs and the scale of those shortfalls over the 2025 to 2050 planning horizon. This information provides a quantitative foundation to inform future discussions of investment prioritization and/or funding alternatives.

This section describes the methodology used to develop the transportation revenue and needs forecasts.

The revenue analysis uses MoDOT financial data and incorporates key assumptions about future trends, including:

- Population growth
- Vehicle fleet growth
- Improvements in vehicle fuel economy
- Adoption of alternative fuel vehicles

The needs analysis is based on:

- The Statewide Transportation Improvement Program (STIP)
- The latest MoDOT Financial Forecasts
- MoDOT’s High-Priority Unfunded Needs List (HPUN)
- Additional needs identified through consultation with MoDOT

Appendix H contains assumptions used in the revenue and needs forecasts. The funding gap is calculated by subtracting projected revenues from forecasted needs:

$$\text{Funding Gap} = \text{Forecasted Needs} - \text{Projected Revenues}$$

## Forecasting Approach for Revenues

Revenue forecasts are based on MoDOT’s existing revenue sources based on future economic and demographic trend assumptions, vehicle fleet composition, vehicle fuel economy and travel demand. The methodology began by defining each source of transportation revenue, then identifying the primary drivers that influence how those revenues are expected to change over time. Revenue forecasts assume that tax and fee rates for all existing sources remain unchanged throughout the forecast period. **Table 1** summarizes the existing rates.

**Table 1 – Revenue Mechanism Rates**

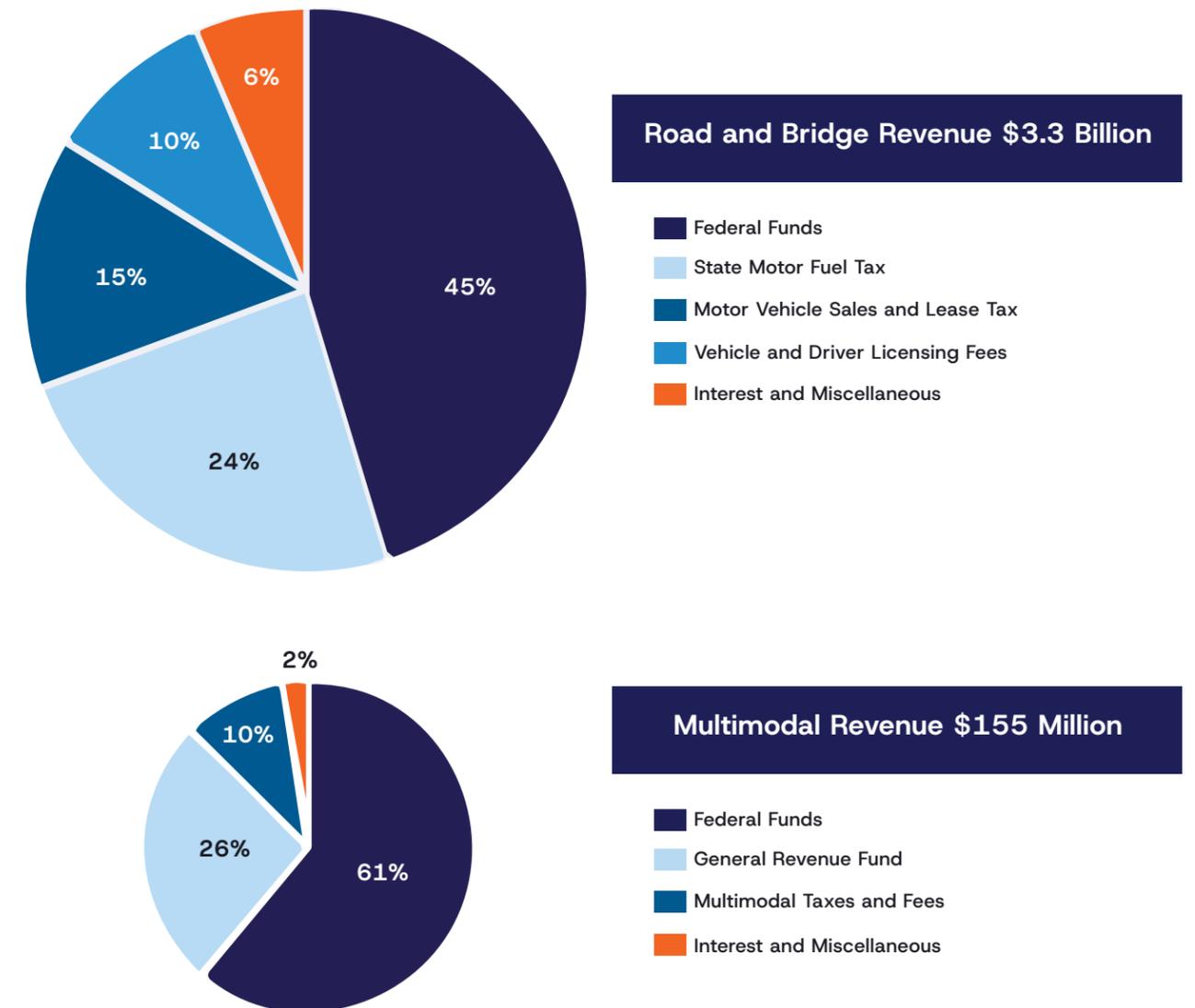
Revenue Mechanism	Existing Rate
Gasoline and Diesel Tax	\$0.295
Sales and Lease Tax	4.225%
Passenger Vehicle Registration	Varies by vehicle horsepower
Commercial Vehicle Registration	Property-carrying vehicles: rate varies by vehicle weight Passenger-carrying vehicles: rate varies by seating capacity
Licensing Fees	Varies by type of license
Special Fuel Decal EV Fee	\$150
Special Fuel Decal PHEV Fee	\$75

Source: Missouri Department of Revenue, “Motor Fuel Tax,” accessed September 2, 2025; Missouri Department of Revenue, “Motor Vehicle Fees,” accessed September 2, 2025; Missouri Department of Revenue, “Permit/Driver License/ Nondriver ID Fees,” accessed September 2, 2025; Missouri Department of Revenue, “Special Fuel Decals,” accessed September 2, 2025.

## Revenue Sources

**Figure 1** shows MoDOT’s transportation revenue of \$3.3 billion for roads and bridge improvements and \$155 million for multimodal improvements in FY 2025, as well as a breakdown of those revenues by category. Details for each of the funding categories and the assumptions for each follow.

**Figure 1 – Transportation Revenues by Category, FY 2025**



Note: Not to scale; one-time general revenue fund appropriations excluded from roads and bridges and multimodal

# Federal Funds



Largest Source of MoDOT Transportation Revenue

## Funded by:

- Federal motor fuel tax
- Tire taxes
- Heavy truck and trailer sales taxes
- Heavy vehicle use tax
- Transfers from federal general revenue

## Dedicated to:



## Forecast Assumptions

- Based on historical funding levels
- Accounts for periodic increases from federal reauthorizations (e.g., Infrastructure Investment and Jobs Act - (IIJA) also known as the Bipartisan Infrastructure Law (BIL)
- Historical trends:
  - 13-year average annual growth: **4.5%**
  - 2021–2024 average annual growth: **12.5%** (post-IIJA)
- Forecast growth rate reduced to **2.5% annually** because:
  - IIJA funding is not expected to continue
  - No new major federal funding sources are anticipated

## Distributed Through the Federal Highway Trust Fund Via:

- Formula programs
- Discretionary grant programs<sup>1</sup>

<sup>1</sup> MoDOT, "Financial Snapshot – November 2025," (appendix to the Citizen's Guide to Transportation Funding in Missouri), 2025, [https://www.modot.org/sites/default/files/documents/2025%20Financial%20Snapshot\\_Final\\_0.pdf](https://www.modot.org/sites/default/files/documents/2025%20Financial%20Snapshot_Final_0.pdf).

# State Motor Fuel Tax



Largest Source of State Transportation Revenue<sup>2</sup>

## Levied per Gallon of Fuel Sold in Missouri, Including:

- Gasoline and diesel
- Motor fuel blends
- Compressed and liquefied natural gas
- Propane



## Dedicated to:



## Forecast Assumptions

- Based on:
  - Vehicle miles traveled (VMT)
  - Average fleet fuel efficiency
  - Historical and forecasted vehicle counts
- Passenger vehicle fuel economy assumptions:
  - 23.0 miles per gallon (mpg) in 2025**
  - 31.5 mpg by 2050**

<sup>2</sup> Missouri Department of Revenue, "Financial and Statistical Report," 2024, <https://dor.mo.gov/revenue-annual-financial-report/documents/financialstatreport24.pdf>.

# State Vehicle Sales and Lease Tax



## Sales Tax:

Applied to the purchase price minus trade-in value



## Lease Tax:

Applied to each monthly lease payment



## Dedicated to:



Roads and Bridges

## Forecast Assumptions

- Based on:
  - Historical revenues
  - Passenger vehicle fleet growth
  - Average vehicle value
- Average vehicle value:
  - Approximately \$20,000 in 2025
  - Approximately \$30,000 in 2050
- National vehicle turnover (2024): **18.1%**<sup>3</sup>
- Missouri forecast vehicle turnover assumption: **15%**
  - Adjusted for economic variability, vehicle longevity and consumer behavior

<sup>3</sup> AP News, "US Vehicle Sales Rose 2.7% in 2024," <https://apnews.com/article/auto-sales-us-increase-deals-c686d72dfbedfd136bfe03f5f0d587a>; National Independent Automobile Dealers Association, "Used Vehicle Sales Expected to Increase in 2025," <https://niada.com/dashboard/used-vehicle-sales-expected-to-increase-in-2025/>; Hedges Company, "Automotive Market Research Statistics," <https://hedgescompany.com/automotive-market-research-statistics/auto-mailing-lists-and-marketing/>.

# Vehicle and Driver's Licensing Fees



## Vehicle Registration Fees

Collected every one or two years

Fee varies by:

- Passenger vehicle horsepower
- Commercial vehicle gross weight
- Passenger-carrying commercial vehicle seating capacity<sup>4</sup>

## Driver Licensing Fees

Driver licenses and renewals

Commercial licenses

Identification cards and instruction permits

Processing, reinstatement and miscellaneous fees<sup>4</sup>

## Dedicated to:



Roads and Bridges

## Forecast Assumptions

- Registration revenues:
  - Historical registration counts
  - Vehicle fleet forecast
  - Population growth
- Licensing fee revenues:
  - Historical revenues
  - Vehicle registration trends
  - Population growth

<sup>4</sup> Missouri Department of Revenue, "Financial and Statistical Report 2024," <https://dor.mo.gov/revenue-annual-financial-report/documents/financialstatreport24.pdf>.

# Interest and Miscellaneous Revenues



<p><b>Includes:</b></p> <p>Interest earned on invested funds</p> <p>Sale of surplus property</p> <p>Excess right of way and construction reimbursements</p> <p>Also includes special fuel decal fees:</p> <ul style="list-style-type: none"> <li>Annual fees paid by owners of alternative-fuel vehicles (e.g., electric, propane)</li> <li>Paid in lieu of motor fuel tax</li> </ul>	<p><b>Dedicated to:</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Roads and Bridges</p> </div> <div style="text-align: center;">  <p>Multimodal Transportation</p> </div> </div> <p><b>Forecast Assumptions</b></p> <ul style="list-style-type: none"> <li>Based on historical data             <ul style="list-style-type: none"> <li>Informed by discussions with MoDOT</li> <li>Special fuel decal revenues based on the vehicle fleet forecast</li> </ul> </li> </ul>
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# State General Revenue Funds

## Missouri's Primary Operating Fund



<p><b>Major Revenue Sources:</b></p> <p>Individual income tax</p> <p>Corporate income tax</p> <p>State general sales tax</p> <p><b>Transfers to Transportation:</b></p> <p>Determined annually through legislative appropriations</p> <p>Core transfers support multimodal programs</p>	<p><b>Forecast Assumptions</b></p> <ul style="list-style-type: none"> <li>Based on current funding needs</li> <li>One-time appropriations removed from historical baseline</li> <li>Future transfers assumed to remain constant             <ul style="list-style-type: none"> <li>Reflects a conservative approach due to funding uncertainty</li> </ul> </li> </ul>
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# Multimodal Taxes and Fees



<p><b>Includes:</b></p> <p>Aviation fuel taxes</p> <p>Multimodal program fees</p> <p>Multimodal sales taxes</p> <p><b>Aviation Fuel Taxes:</b></p> <p>Collected on fuel used by aircraft</p> <p><b>Multimodal Fees</b></p> <p>User fee revenues from non-highway transportation programs</p> <p><b>Multimodal Sales Tax</b></p> <p>Sales-tax-derived funds that are directed to non-highway transportation programs</p>	<p><b>Dedicated to:</b></p> <div style="text-align: center;">  <p>Multimodal Transportation</p> </div> <p><b>Forecast Assumptions</b></p> <ul style="list-style-type: none"> <li>Based on historical collections</li> <li>Informed by discussions with MoDOT to reflect a reasonable outlook</li> </ul>
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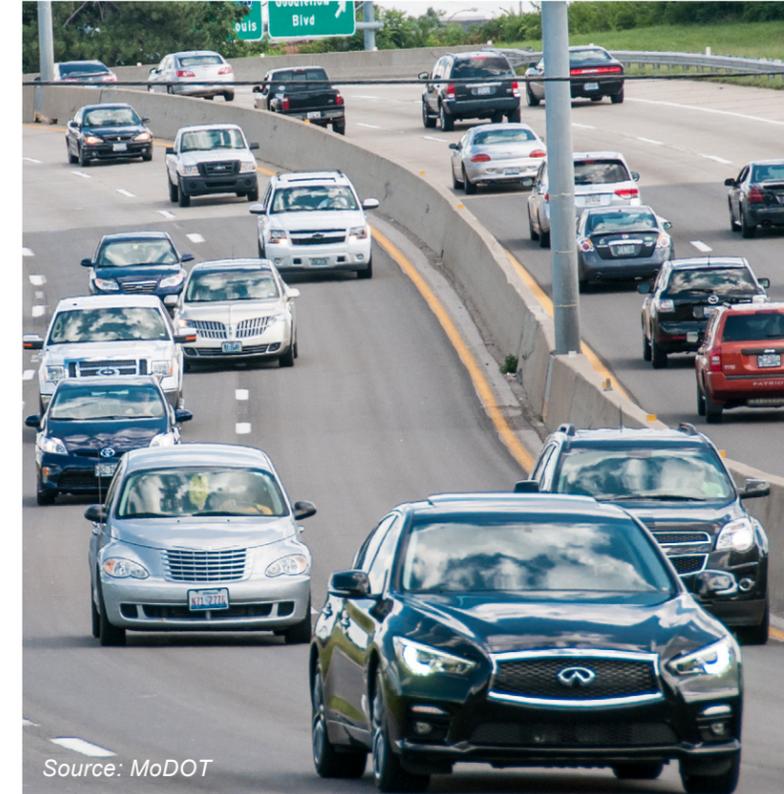
## Forecast of Missouri State Fuel Tax Revenues

This section conducts a deeper analysis of fuel tax forecasting. Fuel taxes are the largest source of state-generated revenue and are experiencing significant change due to improvements in vehicle fuel economy and the adoption of alternative fuel vehicles, unlike other revenue sources. To estimate motor fuel tax revenues, both a fleet forecast and a motor fuel tax forecast were developed. Conventional passenger gasoline vehicles are becoming increasingly fuel-efficient, meaning drivers purchase less fuel to travel the same distances. At the same time, the vehicle fleet is shifting toward PHEVs and EVs, which use little or no gasoline. As the number of these vehicles grows, motor fuel tax revenues are expected to continue declining on a per-vehicle and per-mile-traveled basis. The next two sections explore these factors in more detail.



## Impacts of MPG Improvements on Fuel Tax Receipts

MPG is a nonlinear metric, fuel savings are greater for each one MPG fuel economy improvement among relatively lower-MPG vehicles. For example, as shown in **Figure 2**, a Ford F-150 improving from 15 to 25 MPG saves 267 gallons of fuel over 10,000 miles (about \$79 in tax revenue), while a Honda Accord improving from 25 to 48 MPG saves much less, only 192 gallons (about \$57). Even though the Accord's MPG gain increment is greater, the decline in motor fuel consumed and tax paid is smaller. Hybrid vehicles and EVs add to the trend, but improvements in regular internal combustion engine vehicles are already driving declines in fuel tax revenue.



**Figure 2 – Non-Linear Impact of Vehicle Efficiency on Fuel Consumption**

	 Ford F-150	 Honda Accord
MPG improvement from 2010 to 2025:	<b>15 → 25</b>	<b>25 → 48</b>
Gallons saved over 10k miles of driving:	<b>267</b>	<b>192</b>
Annual fuel tax lost:	<b>\$79</b>	<b>\$57</b>

Source: U.S. Environmental Protection Agency (EPA), "2010 Ford F150 Pickup," 2010; EPA, "Fuel Economy of 2025 Ford Vehicles," 2025; EPA, "2010 Honda Accord," 2010; EPA, "Fuel Economy of 2025 Honda Vehicles," 2025; Future Analysis, CDM Smith, 2025.

### Forecasted Increase in Zero-Emission Vehicles for Missouri's Passenger Fleet

In addition to ongoing gains in fuel efficiency among internal combustion engine vehicles, the growing adoption of EVs and PHEVs further reduces motor fuel consumption and related tax revenues. As these vehicles gradually replace traditional gasoline vehicles, fuel purchases and the taxes they generate decline.

To estimate future fuel tax revenues in Missouri, the state's passenger vehicle fleet was projected through 2050 using national EV and PHEV forecasts combined with Missouri's existing passenger vehicle counts.

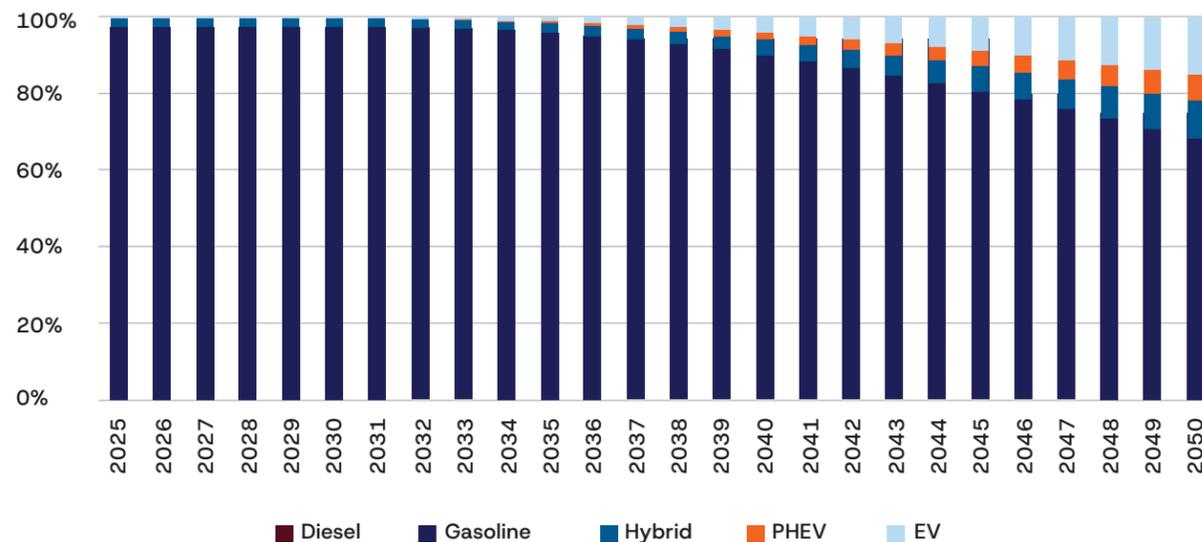
Key Trends shown in **Figure 3** include:

- **Highest in 2025:** Gasoline vehicles dominate the fleet.
- **Growth over time:** Adoption of hybrids, PHEVs and EVs steadily increases.
- **Fastest growth:** EVs grow more rapidly than other vehicle types.
- **Smallest share:** Diesel vehicles remain a very small share of the fleet and contribute minimally to fuel tax revenues.

#### 2050 Fleet Composition (Forecast):

- **Internal combustion engine vehicles:** approximately 68%
- **EVs:** approximately 16%
- **Hybrids and PHEVs (combined):** approximately 16%

Figure 3 – Missouri Fleet Forecast , 2025 – 2050



Source: *EvAdoption; MoDOT; CDM Smith Analysis and Figure.*  
 Note: Diesel vehicles are included in the figure but are not visible due to their minimal share of the fleet

### Response to Declining Fuel Taxes

In response to concerns about declining fuel tax due to improved vehicle fuel economy and increased PHEV and EV purchases, Missouri enacted an increase to its existing motor fuel tax in 2021 through Senate Bill 262, the first adjustment to the fuel tax rate in more than 25 years.<sup>5</sup> The legislation phased in a 2.5-cent-per-gallon increase each year over five years, beginning in October 2021, raising the gasoline and diesel fuel tax rate from 17 cents to 29.5 cents per gallon by July 1, 2025 (FY 2026). No additional rate increases have been enacted.

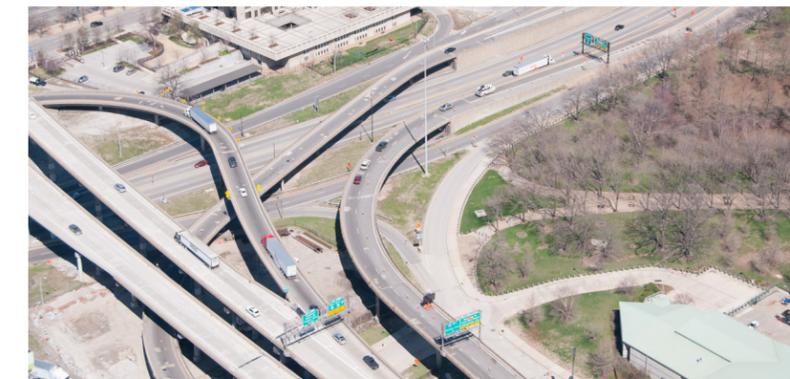
### State Fuel Tax Revenue Distribution

- 72% → State Road Fund
- 15% → Cities
- 13% → Counties<sup>6</sup>

### Scope of This Analysis

- Focuses only on the state's share
- Includes 72% of total fuel tax revenue allocated to the State Road Fund

A key component of Senate Bill 262 is a provision that allows purchasers of motor fuel for highway use to request a refund for the amount of the tax increase they paid. These refund amounts are subtracted from the gross fuel tax revenue, which impacts the net revenue available for transportation projects.

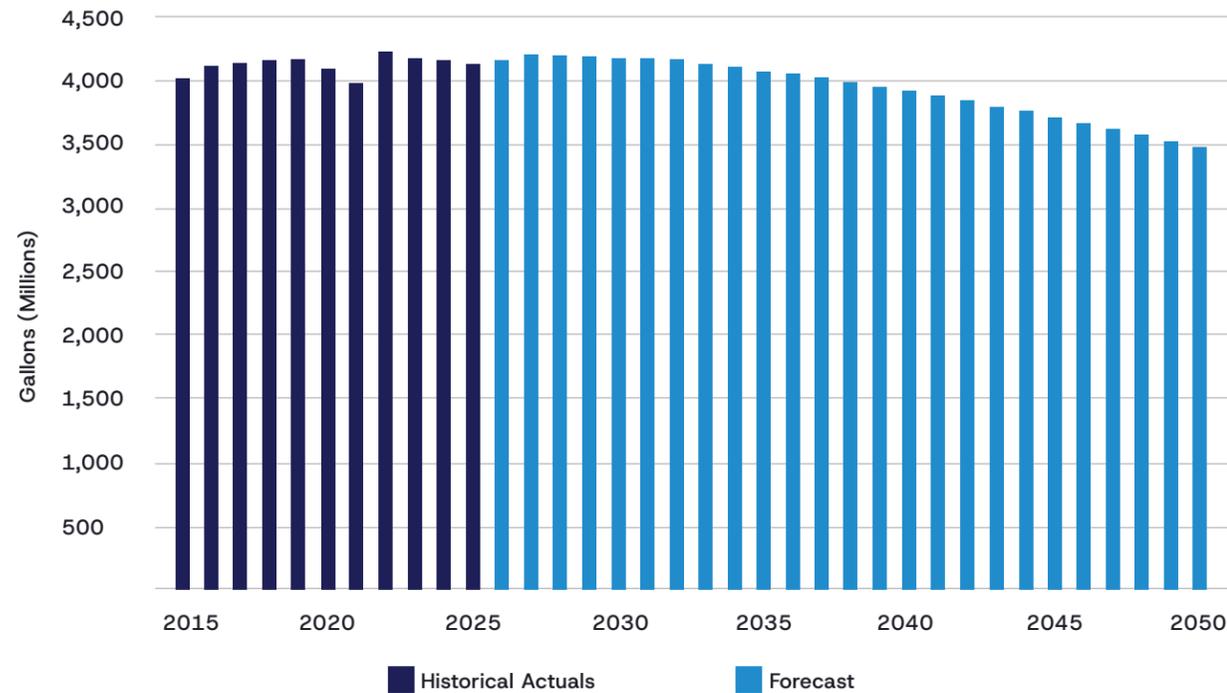


Source: MoDOT

<sup>5</sup> Missouri Senate, SS #2/SCS/SB 262—Modifies Provisions Relating to Transportation, 2021 Regular Session, Senate Bill 262 (signed by Governor July 13, 2021; effective with emergency clause), Missouri Senate website, accessed September 5, 2025, [https://www.senate.mo.gov/21info/BTS\\_Web/BillText.aspx?SessionType=R&BillID=54298589](https://www.senate.mo.gov/21info/BTS_Web/BillText.aspx?SessionType=R&BillID=54298589)

<sup>6</sup> Missouri Department of Revenue, "Financial and Statistical Report," 2024, <https://dor.mo.gov/revenue-annual-financial-report/documents/financialstatreport24.pdf>

Figure 4 – Gallons of Motor Fuel Taxed



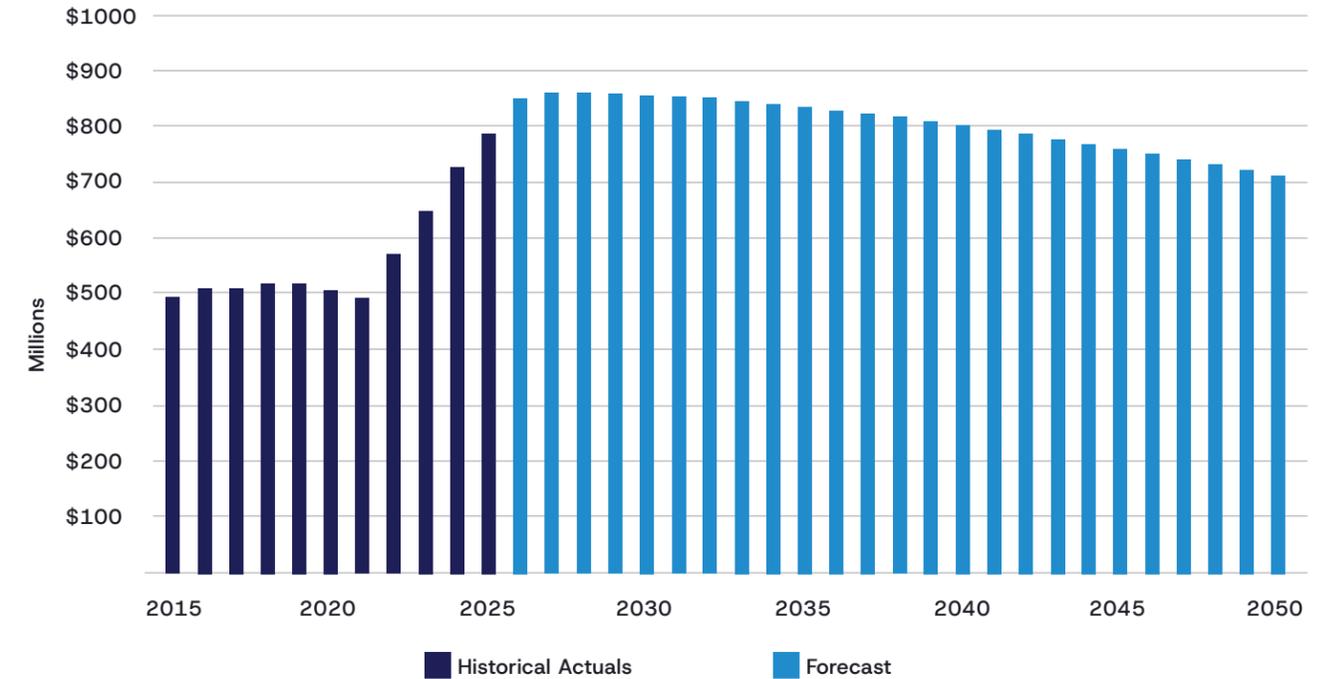
Source: MoDOT, Historical Actuals; CDM Smith, Forecast.

Gallons of Motor Fuel Taxed

Figure 4 illustrates the historical and projected number of gallons of motor fuel taxed in Missouri. The trend shows a gradual but steady decrease over time, which directly correlates with the increasing fuel economy of the vehicle fleet and the rising number of EVs and PHEVs. The figure highlights the core challenge facing transportation funding: the tax base itself is shrinking.

While Senate Bill 262 increased the tax rate, the total number of taxable fuel gallons purchased continues to decline.

Figure 5 – State Motor Fuel Tax Revenue



Source: MoDOT, Historical Actuals; CDM Smith, Forecast.

Figure 5 shows the resulting revenue from the taxed gallons of motor fuel. The graph indicates a slight increase in revenue from 2015 to 2018, a minor decline in revenue from 2019 to 2021. The increase in the per-gallon tax rate from 2022 through 2026 leads to a short-term revenue boost, with revenues peaking in 2027. After that point, the forecast projects a renewed, long-term decline as tax rates stabilize and fewer gallons are sold over time.

While Senate Bill 262 provided a short-term boost to motor fuel tax revenues, the long-term downward revenue trend remains.

## Forecasting Approach for Needs

This section provides an overview of the methodology used to forecast transportation needs in Missouri. Two scenarios were developed: 2025-funded needs and 2025-funded and unfunded needs. For each scenario, this section defines the concept and explains the approach followed. Examining both scenarios helps illustrate the gap between what can be accomplished with existing funding resources and what is needed to meet the state’s long-term transportation goals. For a more detailed breakdown of road and bridge and multimodal needs, see the **Needs Assessment Chapter**.

### 2025-Funded Program Needs

2025-funded program needs represent the transportation projects and programs for which funding has already been identified and committed. For this analysis, 2025-funded needs are based on the 2025 funded programs, which draw from multiple categories and data sources listed in **Table 2**. The total cost of these programs in 2025 is then projected forward through 2050 using inflation to create the funded needs forecast.

**Understanding 2025-funded needs is a useful baseline because it shows the portion of transportation system needs that are funded with today’s existing resources, but it does not consider present or future unfunded needs.**

**Table 2 – 2025-Funded Programs Definition and Source**

Category	Definition	Document
Construction Needs	Funding for roads, bridges and other improvement projects	<a href="#">2026-2030 STIP</a>
Debt Service	Paying back bonds that were used to fund past and present construction projects	<a href="#">2026-2030 STIP</a>
Operations and Maintenance	The daily costs of keeping our roads and bridges in good working condition	<a href="#">MoDOT Operations and Maintenance (O&amp;M) Plan</a>
Multimodal Operations	Funding for transportation options other than highways, such as public transit, airports and rail	<a href="#">2026-2030 STIP</a>
Internal Operating Costs	The administrative costs to run the department, including salaries, IT and office expenses	<a href="#">2025 Financial Snapshot</a>

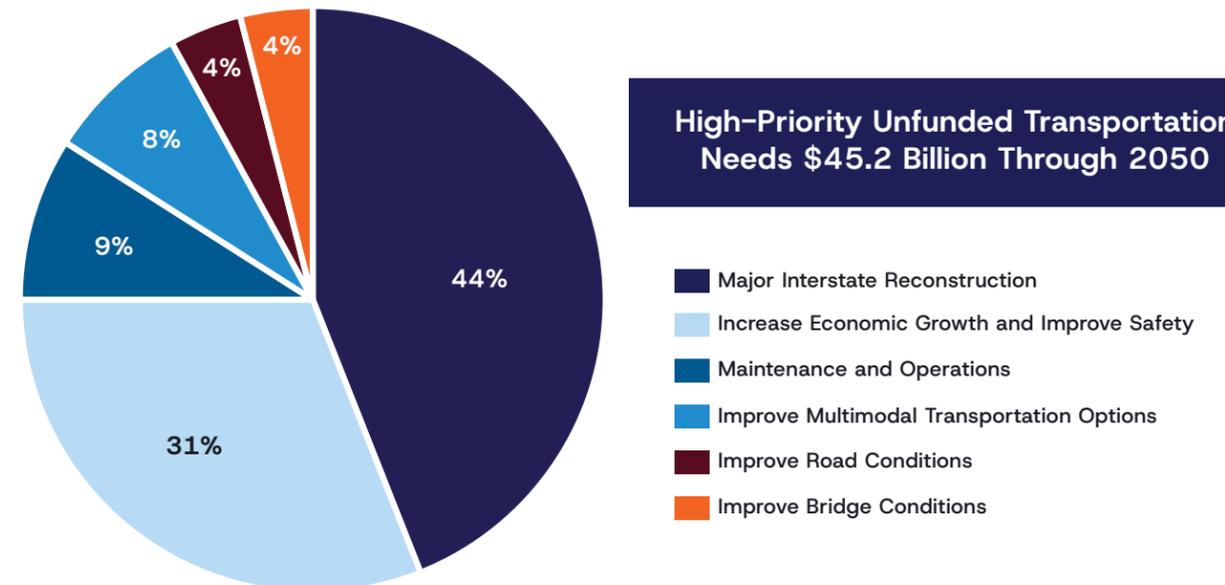
## 2025-Funded and Unfunded Needs

2025-funded and unfunded needs reflect the total transportation investment required to meet all documented transportation needs in Missouri. 2025-funded needs come from the methodology described in the preceding section. Unfunded needs are taken from the 2025 Missouri High-Priority Unfunded Needs, which provides 10 years of non-inflated estimates.<sup>7</sup> The unfunded needs were divided over the 10-year period and then inflated in the outer years of the 10-year forecast. Finally, this forecast was extended through 2050 to cover the full analysis period. This resulted in a total of \$45.2 billion in unfunded needs from 2025 to 2050, which is depicted by category in **Figure 6**.



Source: MoDOT

**Figure 6 – Unfunded Needs**



Source: High-Priority Unfunded Needs 2025, MoDOT; CDM Smith.

<sup>7</sup> MoDOT, “Missouri High-Priority Unfunded Needs,” 2025, <https://www.modot.org/sites/default/files/documents/High-Priority%20Unfunded%20Needs%202025Oct.pdf>.

# Findings

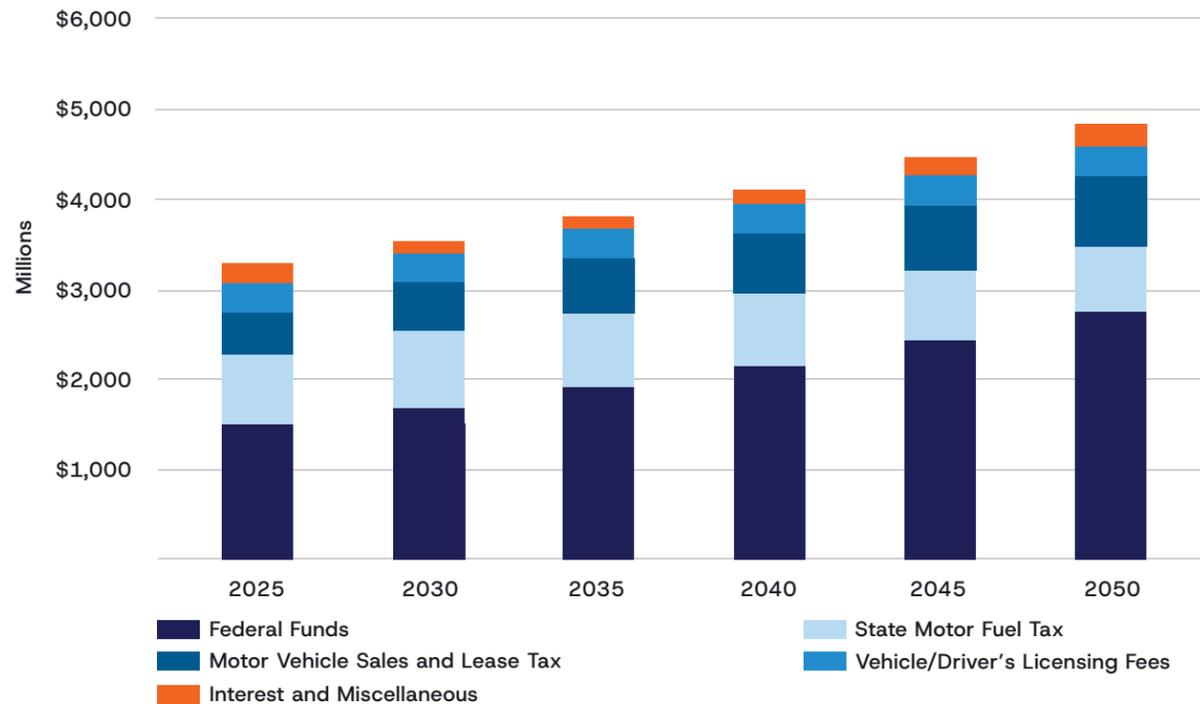
The following section presents the key findings of the analysis. First, the revenue forecast is presented, highlighting how various funding sources are projected to change over time. Next, the transportation needs forecasts are overlaid on the revenue forecast to illustrate when funding gaps are likely to emerge.

## Revenue Forecast Through 2050

**Figure 7** illustrates 2025 actuals and the 2026 to 2050 revenue forecast for roads and bridges. The analysis shows that overall funding levels are likely to increase in nominal dollars. However, the forecast includes a steady decline in fuel tax revenues. Vehicle and driver licensing fee revenues remain relatively flat over time. Sales and lease tax revenues (based on vehicle values) and federal funds increase in future years with inflation. Interest and miscellaneous revenues, which include special fuel decal fees, grow over time as EV and PHEV adoption grow.

**Motor vehicle sales and lease taxes are projected to overtake motor fuel taxes as the largest source of state funding for roads and bridges by 2047.**

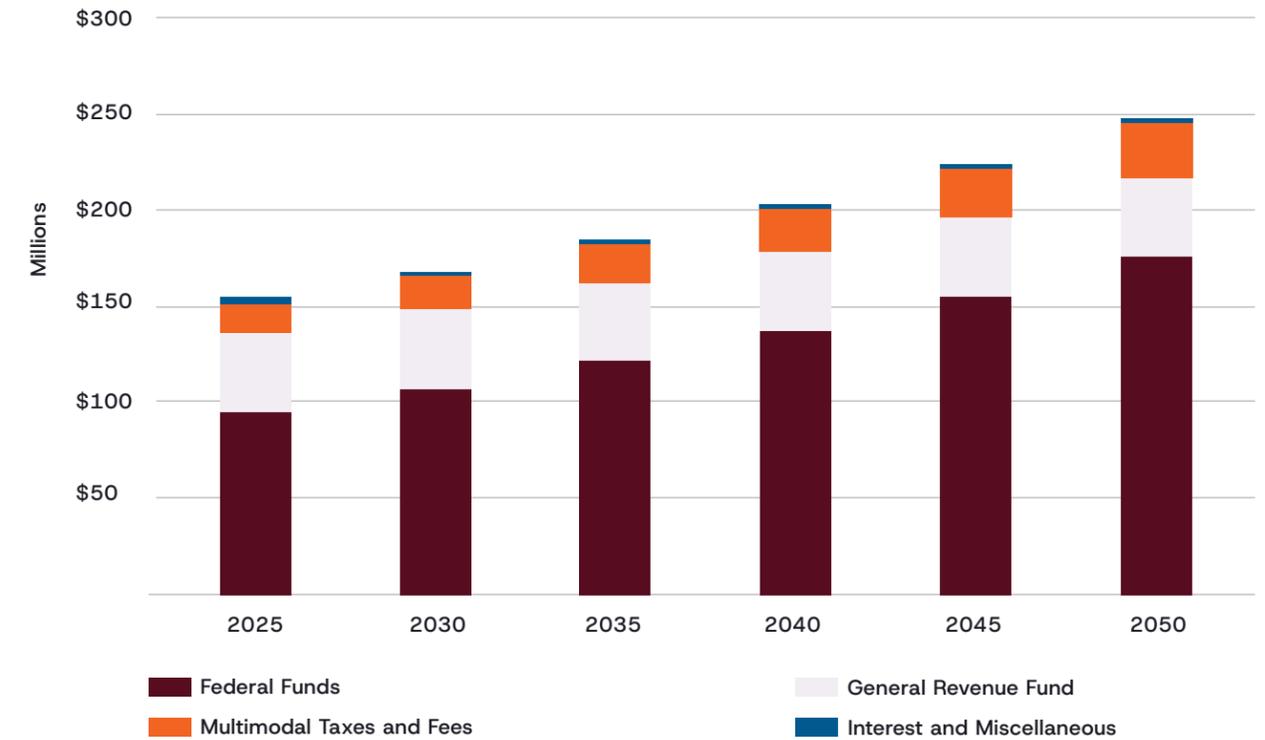
**Figure 7 – Roads and Bridges Revenue Forecast**



Source: MoDOT, Historical Actuals; CDM Smith, Forecast.

**Figure 8** illustrates 2025 actuals and the 2026 to 2050 revenue forecast for multimodal. Federal funds and multimodal tax and fee revenues increase with inflation over time. General revenue funds and interest and miscellaneous revenues remain at a flat fixed rate. A detailed table of the revenue forecast findings for both roads and bridges and multimodal can be found in **Appendix I**.

**Figure 8 – Multimodal Revenue Forecast**



Source: MoDOT, Historical Actuals; CDM Smith, Forecast.

**General Revenue Funds and interest and miscellaneous revenues remain at a flat, fixed rate, even as multimodal needs continue to increase between 2025 and 2050.**

# Needs Forecast Through 2050

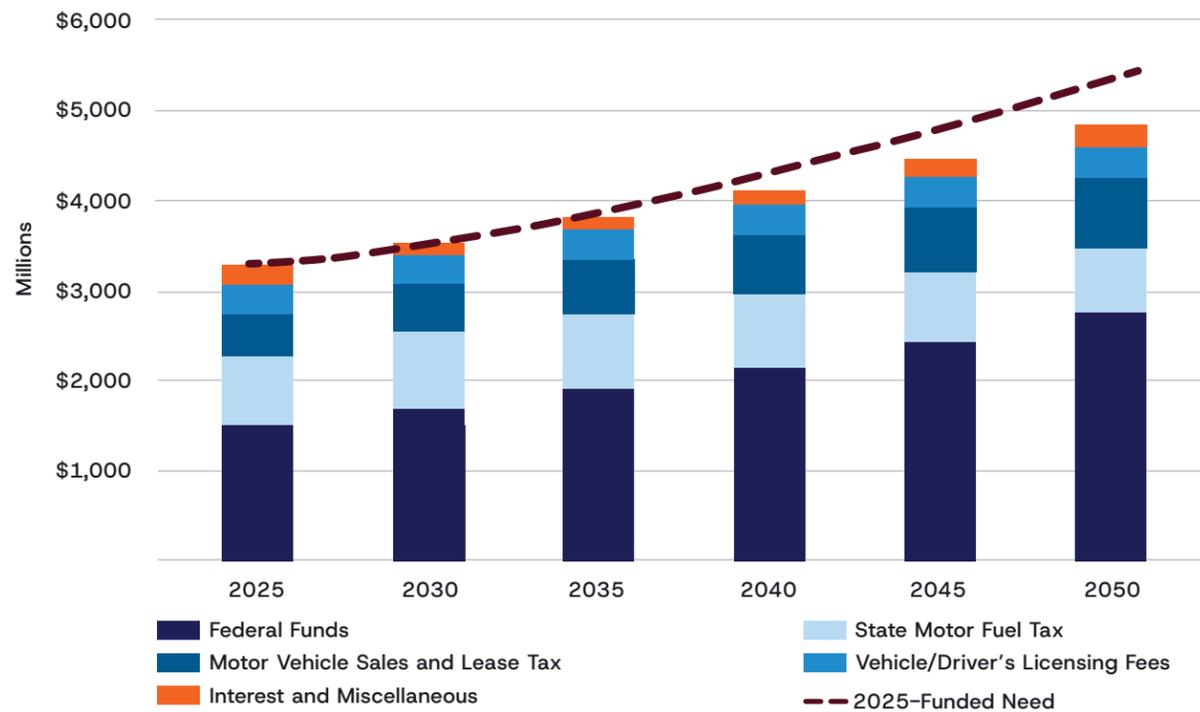
The needs forecast evaluates Missouri’s transportation requirements under two distinct scenarios:

- 2025-funded needs consider only programs with committed funding
- 2025-funded and unfunded needs reflect the full level of investment required to maintain and improve the system

## 2025-Funded Program Needs

**Figure 9** illustrates the 2025-funded program need forecast for roads and bridges as a line atop the revenue forecast. From 2025 to 2030, revenues will cover the 2025-funded program needs. However, in 2031, a funding gap emerges as cost inflation outpaces revenue growth. The funding gap for roads and bridges increases to approximately \$570 million per year in 2050.

**Figure 9 – Roads and Bridges 2025-Funded Program Needs**

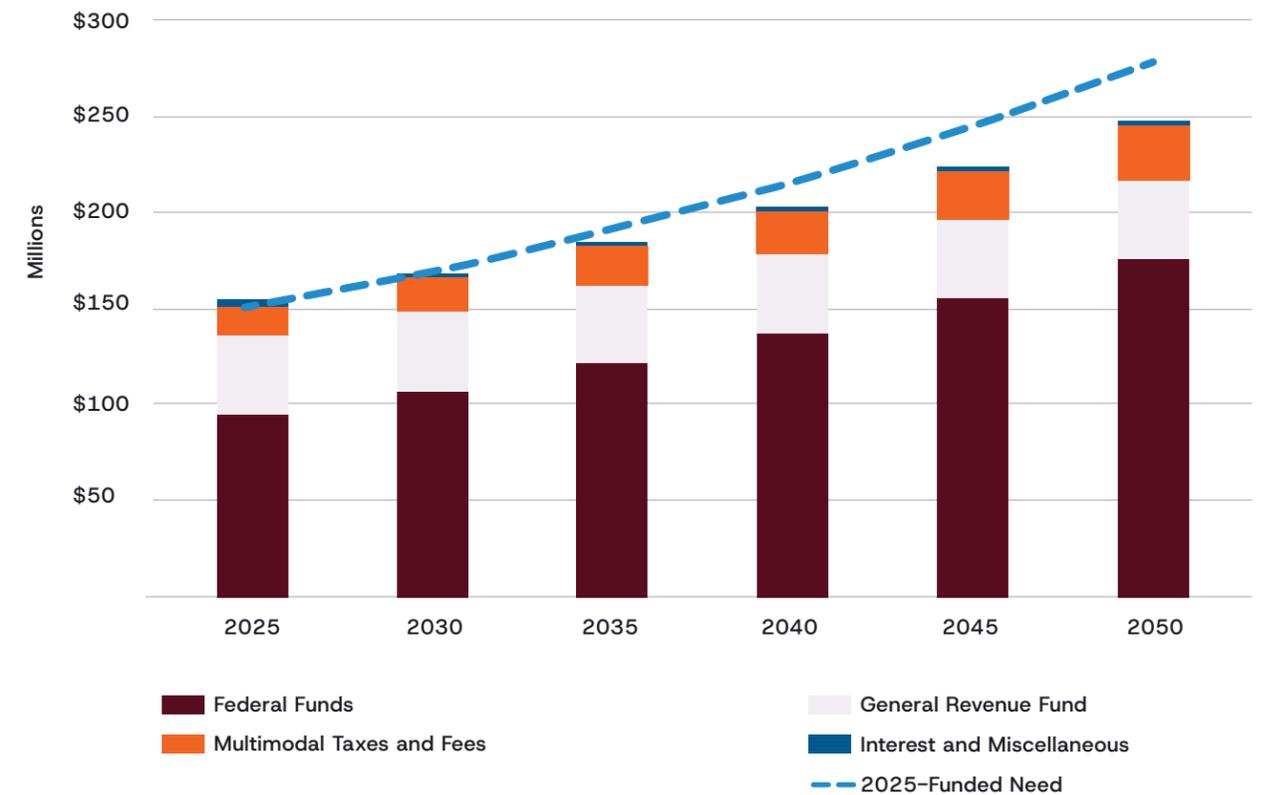


Source: MoDOT, Historical Actuals; CDM Smith, Forecast.

The funding gap for roads and bridges increases to approximately **\$570 million per year in 2050.**

**Figure 10** illustrates the 2025-funded program needs forecast for multimodal. Revenues are sufficient to meet the 2025-funded needs through 2029. However, a funding gap begins in 2030. A table of the 2025-funded roads and bridges and multimodal program needs can be found in **Appendix I**.

**Figure 10 – Multimodal 2025-Funded Program Needs**



Source: MoDOT, Historical Actuals; CDM Smith, Forecast.

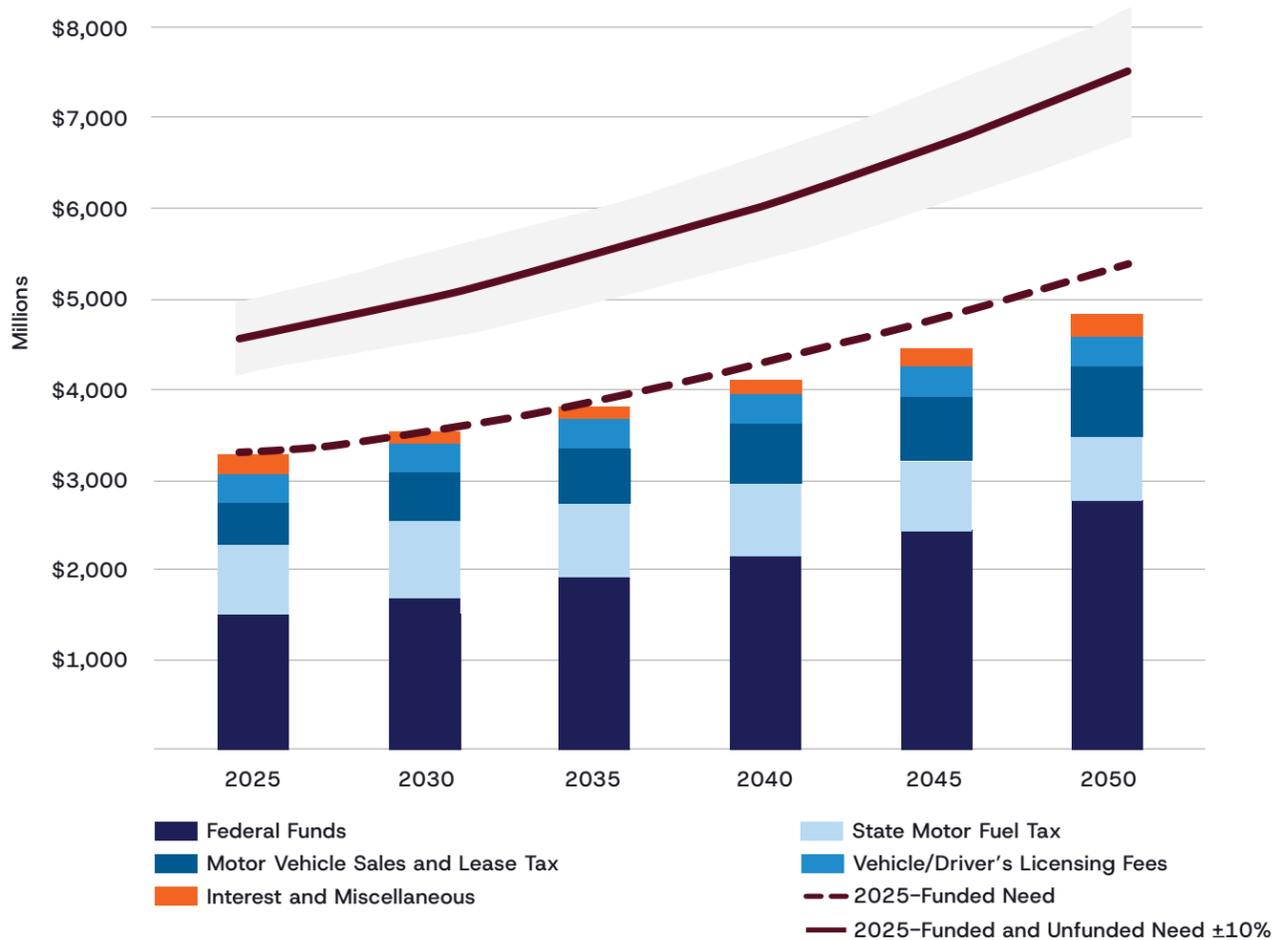
The funding gap for multimodal increases to almost **\$30 million by 2050.**

2025-Funded and Unfunded Needs

**Figure 11** illustrates the 2025-funded + unfunded needs forecast for roads and bridges. As of 2025, there is a funding gap of approximately \$1.2 billion, reflecting the fact that the demand for transportation improvements exceeds the funding currently available, requiring prioritization of projects that provide the greatest benefit to taxpayers. The projected funding gap grows to

approximately \$2.7 billion by 2050. Similar to 2025-funded program needs, unfunded needs are expected to increase with inflation. However, evaluating unfunded needs involves greater uncertainty due to the broader assumptions required, so an error margin of ±10% is applied to illustrate the potential variance in these estimates (illustrated as a gray area above or below the 2025-Funded and Unfunded Need ±10% trend line).

**Figure 11 – Roads and Bridges 2025-Funded and Unfunded Needs**

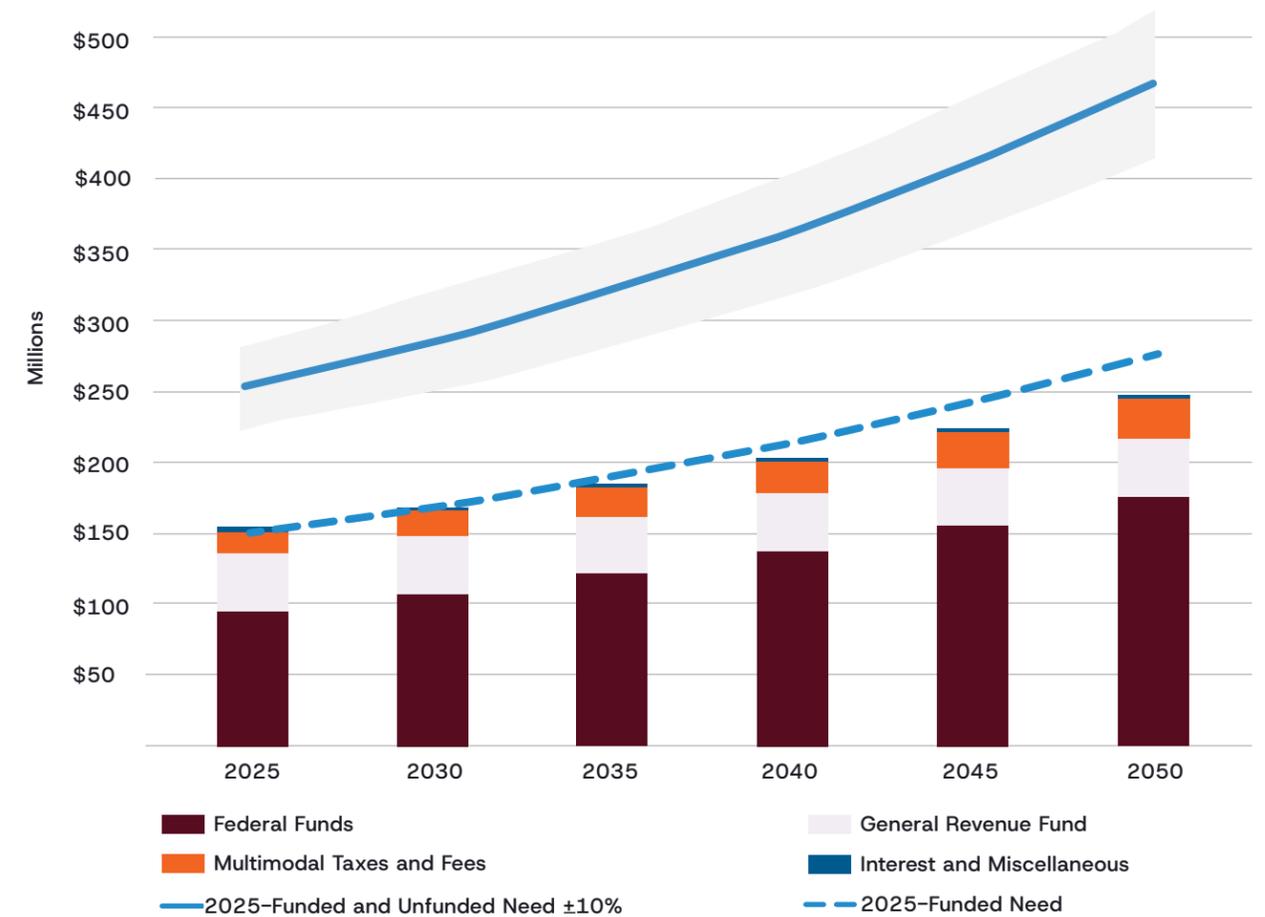


Source: MoDOT, Historical Actuals; CDM Smith, Forecast.

The projected funding gap for 2025-funded and unfunded needs for roads and bridges grows to approximately **\$2.7 billion** by **2050**.

**Figure 12** illustrates the 2025-funded and unfunded needs forecast for multimodal. As of 2025, there is a funding gap of approximately \$100 million. The projected funding gap grows to approximately \$220 million by 2050. Evaluating unfunded needs involves uncertainty due to the broader assumptions required, so an error margin of ±10% is applied to illustrate the potential variance in these estimates (illustrated as a gray area above or below the 2025-Funded and Unfunded Need ±10% trend line). A table of the 2025-funded and unfunded needs for roads and bridges and multimodal can be found in **Appendix I**.

**Figure 12 – Multimodal 2025-Funded and Unfunded Needs**



Source: MoDOT, Historical Actuals; CDM Smith, Forecast.

The projected funding gap for 2025-funded and unfunded needs for multimodal grows to approximately **\$220 million** by **2050**.

# Implications for Missouri's Transportation Funding

Missouri's transportation system is essential to the state's economy, safety and quality of life. The state will face growing shortfalls that challenge MoDOT's ability to maintain existing infrastructure and meet future needs. Maintaining and improving the system depends on reliable, long-term funding. This chapter highlights two primary reasons why revenues are not keeping pace with needs:

- Revenues do not keep up with inflation:** Most state revenues sources are set at fixed rates and are not adjusted for inflation. Meanwhile, construction, maintenance and operating costs continue to rise each year. Over time, this creates a widening gap between flat revenues and growing expenses.
- Vehicles are using less fuel:** As vehicles become more fuel-efficient and as adoption of PHEVs and EVs grows, people are buying less gasoline and diesel. Missouri relies heavily on the motor fuel tax for transportation funding and fewer gallons sold means less fuel tax revenue collected.

**Table 3** summarizes the findings from the report as projected funding gaps for both



needs scenarios. Road and bridge revenues are expected to cover 2025-funded program needs through 2030. Beginning in 2031, however, a shortfall emerges, growing to \$210 million by 2040 and \$570 million by 2050. When both 2025-funded and unfunded needs are considered together, Missouri faces a \$1.2 billion funding gap in 2025. That shortfall is projected to increase to \$1.3 billion in 2030, \$1.9 billion in 2040 and \$2.7 billion in 2050.

Multimodal revenues are sufficient to meet 2025-funded needs through 2029. A funding gap begins in 2030 and grows to about \$30 million by 2050. Looking at combined 2025-funded and unfunded needs, a funding gap of \$100 million is present as of 2025. This funding gap grows to \$220 million by 2050.

**Table 3 – Funding Gap Based on Need Scenario (\$ in Millions)**

Year	Roads & Bridges		Multimodal		Total	
	2025-Funded Programs	2025-Funded and Unfunded Needs	2025-Funded Programs*	2025-Funded and Unfunded Needs	2025-Funded Programs	2025-Funded and Unfunded Needs
2025	-	\$1,150	-	\$100	-	\$1,250
2030	-	\$1,300	\$10	\$120	\$10	\$1,420
2035	\$60	\$1,540	\$10	\$140	\$70	\$1,680
2040	\$210	\$1,880	\$10	\$170	\$220	\$2,050
2045	\$370	\$2,260	\$20	\$190	\$390	\$2,450
2050	\$570	\$2,710	\$30	\$220	\$600	\$2,930

*Note: Numbers rounded to the nearest \$10 million.*

**In summary, Missouri faces a substantial and widening funding gap. This shortfall will challenge the state's ability to preserve existing infrastructure, invest in safety improvements and support future mobility needs. Addressing this challenge will require prioritization of investments during the time frame of this long-range plan. At the same time, by outlining the level of investment Missouri requires to address needs, this chapter provides a foundation for understanding the magnitude of possible funding solutions that can support the state's long-term transportation system.**