

Overseas Examples of Mileage Taxes to Provide Stable Transportation Investment Resources and Their Policy Implications

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Summary

1. Unfavorable trends in future conditions, including greater difficulty acquiring transportation taxes, increased fiscal demands in other areas, and the arrival of a low population growth era, demand new policy approaches to secure future investment resources in the transportation sector.

2. Close examination of major overseas examples where mileage taxes were introduced to provide medium- and long-term transportation investment resources may offer suggestions for potential application in Korea.

- Legislation proposed in the state of Oregon would mean full-scale implementation of a mileage tax for all vehicles as of 2026; over half of U.S. states are currently showing an interest in mileage taxes and actively implementing pilot efforts.

- New Zealand and countries in Europe have gone beyond the pilot project stage to implement full-scale mileage taxation of freight vehicles, with ongoing discussions on specific projects including distribution of GPS-based vehicle terminals, simplification of administrative costs, and advancements in inspection systems.

3. Information about mileage tax trends in major overseas countries and their policy implications should be provided for legal and institutional support, the promotion of demonstration projects, and establishment of implementation systems and used to develop policies for the potential introduction of a mileage tax in Korea.

| Policy Implication |

① Establish legal groundwork for a mileage tax in Korea, including implementation systems and protections on personal information

- Establish legal basis for mileage tax adoption in Act on Special Accounts for Traffic Facilities and Traffic, Energy, and Environment Tax Act

- Develop legal and institutional measures to protect personal information during adoption of a GPS-based mileage tax

② Attempt pilot programs suited to domestic conditions following a comprehensive

examination of the factors influencing policy adoption in overseas cases

- Examine entire policy background in overseas examples and benchmark various institutions in pilot projects, including matching fund project support and assessment of incentivization outcomes

③ Establish expert group to formulate a medium- and long-term strategy for mileage tax adoption and discuss detailed tasks for resolution

- Consider establishing an expert group to perform strategy formulation and policy coordination duties and discuss detailed tasks including a weight-/distance-based mileage tax, administrative cost-reducing payment methods, and policing systems for service distance licenses.