Fuel Excise Tax dollars making a difference on Navajo Nation

W hen you fill up with fuel on the Navajo Nation, you are contributing to road infrastructure and self-determination.

For every gallon of fuel pumped at gas stations across the Navajo Nation, 18 cents is collected for the Navajo Nation Road Fund.

Since 1999, the Fuel Excise Tax has been collected by the Office of Navajo Tax Commission and is making a positive impact on the Navajo Nation for community road projects.

For gasoline, the FET is 18 cents and for diesel, it is 25 cents.

Funding from the road fund is used for improvement projects such as parking lots, school bus routes, drainage crossings, access roads, road maintenance, grading, graveling, archaeological surveys, testing, mitigation, drainage studies, construction services, threatened and endangered species, airport maintenance, designs, plans, specifications, bidding, and contract services.

Navajo Nation President Ben Shelly said roads have always been an issue Navajo people passionately care about.

“I am thankful that we have completed more than half of the projects that were stuck in government bureaucratic processes,” Shelly said. “We have pushed these projects through and have many more to complete.”

“The Fuel Excise Tax is making a difference because we have funding to pay for some of these projects,” he added.

Paulson Chaco, director of Navajo Division of Transportation, said FET projects dating several years back are finally finding their way to completion.

“Navajo DOT had a backlog of 78 Fuel Excise Tax projects in limbo when I stepped into the division. We have cut that figure in half and completed many projects since President Shelly took office,” Chaco said.

There are currently 32 FET projects across the reservation that NDOT is working to complete.

Chaco said no new FET proposals will be collected until NDOT completes the remaining 32 projects.

“We are working hard to ensure these projects are completed, rather than taking on new FET projects while work is still left undone,” he said.

According to statistics from the Navajo Tax Commission, a total of $146,644,840 in FET funds has been collected since 2002, for an average of $13,331,349 per year.

From the annual FET revenue, $4 million is distributed to the State of Arizona; $2 million is deposited into the Permanent Trust Fund; $3 million goes into the FET coffers; and $3 million is used for road maintenance activities.

As directed by the Office of President and Vice President and Resources and Development Committee, NDOT imposed a moratorium on new FET projects since 2010, to ensure all previously funded projects were first brought to completion.

During the moratorium period, a $13 million surplus was realigned by NDOT.

On March 28, 2013, NDOT reported to the Naa’bik’iyati’ Committee and was directed to divide the $13 million surplus between all five agencies of the Navajo Nation.

“NDOT will complete 13 projects in 2013,” said Darryl Bradley, principal civil engineer for NDOT.
He explained that fuel manifests are issued by the tax commission to distributors delivering fuel on the Navajo Nation. In turn, tax returns are filed by the distributors and the fuel tax is paid on a monthly basis to the Navajo Nation.

“These funds are used by NDOT for transportation projects within the Navajo Nation for development, planning, road maintenance and construction of public roads,” Bradley said.

Zane James and Priscilla Lee are program and projects specialists for NDOT, working directly with FET funding for projects.

James is overseeing 16 projects, three of which are completed parking lots and an access road for the communities of Twin Lakes and Standing Rock.

Lee also has 16 projects on the table, with the two-mile C27 Dakota Loop project slated for completion on June 28, 2013.

Both agree the funds are integral to improving Navajo Nation roads and their focus is to complete the remaining FET projects before soliciting for new project proposals.

Approximately 14,733 miles of public roads cover the Navajo Nation. From that figure, 76 percent, or 11,353 miles of road are unpaved and provide the only means of access for schools, employment, medical care, and commerce.

NDOT’s mission is to provide a safe transportation infrastructure through innovation and partnerships.

Information: www.navajodot.org
FUEL EXCISE TAX REVENUES

Navajo D.O.T.

FISCAL YEAR  '02  '03  '04  '05  '06  '07  '08  '09  '10  '11  '12

$11,859,698  $12,064,487  $13,657,622  $13,783,129  $12,570,193  $12,868,606  $13,807,378  $13,332,548  $13,363,381  $14,732,250  $14,605,548

* Statistical data provided by Office of Navajo Tax Commission