January 29, 2013

TO: THE PEOPLE OF LEGISLATIVE DISTRICT 8

A GAS TAX BY ANY OTHER NAME IS STILL A GAS TAX

The Governor and the Senate President are desperately seeking a new way to pump more revenue into the Transportation Trust Fund for needed transportation projects, including two light rail systems in suburban D.C and Baltimore City and the Corridor Cities Transitway in the I-270 corridor. Together, the D.C. Purple Line and the City Red Line will cost $4 billion and the Transitway another $1 billion. Last year, the Governor's proposal to apply a 6% sales tax to gasoline to raise an annual $600 million was defeated.

The 23.5 cent per gallon state gas tax is the largest revenue source for the State's Transportation Trust Fund. Legislative analysts project after 2017, the Trust Fund will be bankrupt and the state will be able to afford only maintenance on roads and highways. The Governor and the analysts declare that an annual increase of $600 million to $800 million in transportation revenue is urgently needed.

The Senate President has declared he will introduce legislation to break the stalemate over a gas tax increase. His proposal imposes a new 3% sales tax on gas at the pump to raise $300 million in new revenue to be used for new roads and bridges. There's nothing new about that. The novel part of the proposal would enable local elected officials to add up to 5 cents a gallon to the gas tax to pay for local roads and transit projects.

Other ideas include creating one or more regional authorities with the power to raise property taxes to help pay for the Purple and Red lines. The philosophy behind creation of these regional authorities is that the people who benefit the most from the rail lines will have to pay for them. Many areas of the state, particularly the rural areas, have complained bitterly about being taxed to pay for transportation projects that they will rarely or never use. In addition, the leasing of the 19-mile Intercounty Connector (ICC) has been proposed. These public-private arrangements, which usually run for 30 to 99 years, are common in other countries but are still rare in the U.S. Indiana has a $3.8 billion 75-year lease on a 157-mile toll road, with a consortium which will collect the tolls. In Virginia, a private company maintains toll lanes on the Capital Beltway. The problem with lease arrangements is that the state gives up toll revenue for more years than the life of the road, which is usually 30 years.

No matter what spin is put on it or what it is called or which government, state or local, proposes it, if it increases costs at the pump, I will oppose it. A gas tax by any other name is still a gas tax. And a gas tax increase is the last thing taxed-to-death Marylanders, struggling in a fragile economy, need.

Please do not hesitate to contact me on this or any other issue of concern to you. I encourage and welcome your input.