

Raise My Gas Tax, Please

As a longtime vocal advocate of smaller government, I am hesitant to ever ask for a tax increase of any kind. However, now is the time for Congress to take unpopular but needed action to raise the gas tax—and not just a little. I'm talking 25¢ or even 50¢ per gallon. There are three reasons why this is clearly the right thing to do.

First, there is no denying the rough condition of many roads. Whether you have seen studies by the American Society of Civil Engineers or simply driven down decaying roads and highways in your state, many roads are in critical need of repair.



SIEGEL

Do we really need another bridge collapse or deadly failure to remind us?

Second, the current gas tax is not sufficient to fund even the minimal levels of transportation infrastructure currently planned.

Congress has needed to supplement the Highway Trust Fund with general funds in the past. But considering the pressures on the U.S. Treasury with our debt issues, it is hard to imagine this will continue in the future. Even the Simpson-Bowles debt reduction commission suggested a 15¢-per-gallon increase in its recommendations.

Finally, a gas tax is, in effect, a user fee, and it only makes sense that users pay for the use of our infrastructure. It is true that electric or alternative-fuel vehicles would continue to get a free pass, but in reality these represent only a small fraction of the current vehicle miles traveled by drivers.

I understand the arguments against a gas-tax hike. Unfortunately, it is still the best option we have. A vehicle mileage tax or even a tax on raw products, such as a bar-

rel of oil, is clearly a long way off both in legislation and popular acceptance. In the short term, there is simply no other feasible option than to raise the tax.

I also understand and appreciate the argument that we should first streamline and make current transportation programs more efficient. I agree there is work to do, but the wheels of government turn slowly. Realistically, if we have to wait for everything to be perfect, we will never raise additional funds for needed improvements.

Do the Right Thing

Taxes are never popular. While the gas tax is small compared to income taxes, sales taxes and various others, it is something people see every time they are at the pump. Yet voters in local and state elections regularly pass new sales and gas taxes or tax increases that will be spent to improve the transportation system. If we make a reasoned case and ensure the funds are spent on transportation as planned, the public will accept an increased tax.

The current gas-tax format, in which the tax is charged per gallon, is far from perfect, but it's acceptable. But I would argue that if the gas tax is raised, we also need to index it to inflation. The evidence demonstrates that we can't depend on Congress to adjust the tax regularly for inflation. If we don't make

this adjustment, however, it might be another 20 years before it's done. Meanwhile, our critical infrastructure continues to deteriorate.

There is also momentum for a shift to a percentage-based sales tax for motor fuel. In many ways, this is a superior method of collecting appropriate fees to pay for our roads. In theory, the inflationary concerns are covered, and if set correctly, the monies generated could eliminate the dependence on transfers from the general fund. Of course, fuel prices can go down just as they can go up—sometimes significantly—so we have to plan in an environment in which expected tax receipts may be quite variable.

Even if Congress passes an increased gas tax in one form or another, we can't stop working on long-term funding solutions, including alternative ways to collect appropriate user fees. We will only see more, not fewer, alternative types of fuel and vehicles in the future. Americans have a strong sense of fairness, and it only seems appropriate that all road and bridge users pay their fair share. At some point, we will have to implement a system in which everyone pays for his or her use of the system.

There are many other worthy causes on which we could spend tax money. That is not the point. We have a need that is critical to the nation's competitiveness and the citizenry's quality of life. We have a way for users of our infrastructure to pay for its needs. So it's time for Congress and President Obama to act in a bipartisan way and take action. ■

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