

"If You Drive a Car, I'll Tax the Street."

The Beatles

When George Harrison wrote "Taxman" back in the 1960s, that line came across as witty hyperbole. Surely they can't really tax the street? Well, guess again.

Amid all the fanfare – or groans – President Barack Obama's budget outline, a bipartisan commission set up by Congress to think about how to pay for the roads and other transportation infrastructure, offered a few ideas. Prominent among them was taxing the street – or more precisely, taxing your use of the street – using technology that could track how many miles you drive.

For the past 80 years, Americans have paid for highways largely through taxes levied on motor fuel. The reasoning is simple. If you are buying gasoline or diesel fuel, you must be using the roads and vice versa.

But gas taxes haven't risen fast enough to keep pace with demand for new roads or repairs. The 18.3 cents a gallon federal gas tax hasn't increased since 1993.

Meanwhile, demand for highways has surged over the past three decades. The highways are more crowded than ever. In the bigger urban sprawls, drivers are wasting 40 hours a year crawling in traffic, according to a Texas Transportation Institute study cited by President Obama in his budget message.

Everyone wants new roads, especially now that building them could provide jobs for people hit by the economic slump. But the federal trust fund that is supposed to finance road projects using gas tax receipts, can't keep up with demand. When the stimulus money runs out, Congress will have to confront that problem again if changes aren't made to the funding.

The issue of financing roads points to a bigger question. In the future, how do we want our taxes: Invisible and disconnected from the demands we put on government, or levied as tolls or "user fees?" With the latter approach, we can, in theory, make choices to avoid the toll.

President Obama and many members of Congress are looking at using new technologies to pay the real cost of government services as they are used instead of shifting the bill to the next generation.

The longer term concern on transportation funding and the gas tax is driven in part by another of President Obama's priorities – reducing America's use of petroleum.

President George W. Bush signed into law a mandate to increase the fuel efficiency of the average American vehicle to 35 miles per gallon or more. President Obama says he wants to go beyond that and push for millions of vehicles to run on battery power. (Let's set aside the argument over whether the juice for those batteries should come from coal, the sun or atomic fission.)

If cars use less petroleum, their owners will pay less in gasoline taxes. Good for me, if I own a hybrid or electric car or another alternative fuel vehicle. But bad for America if I am hogging up space on a highway I no longer have paid to ride.

This is why the idea of taxing motorists based on how much they drive - rather than what fuel they use

to drive appeals to those who drafted the National Surface Transportation Infrastructure Financing Commission report released recently.

Think about it: Your vehicle could have a transponder of some sort embedded in it that would signal its presence on a stretch of road to sensors buried in the road or positioned along the street. As you clicked off the miles, you'd be assessed a fee for your "vehicle miles traveled" or VMT.

Such a smart highway system could do other beneficial things in return for your money, such as tell you about congestion, or raise the fee on you and your fellow travelers during rush hour, giving you an incentive to commute at off-peak hours (or rather, giving the other guy that signal.)

The commission suggests that 2.3 cents a mile would be an adequate amount to start, or the equivalent of a gas tax of 48.4 cents a gallon. (Of course, that conversion would depend on the car.)

Think about it, but don't think about it too much, or you might justify the commission's fears that you won't like it.

Jumping the effective gas tax more than twofold to 48.4 cents a gallon isn't likely to get a lot of applause from consumers already soured by the lousy economy. If the proponents of the VMT tax plan are lucky, that's where most people will stop in their consideration of this idea. The ones who start questioning the privacy implications of a government system that knows where you are – or at least where your car is – may like it even less. But perhaps Americans are so used to surrendering their privacy and dignity in order to travel by air that this won't seem like an issue at all.

Just for good measure, the commission suggests that the current gasoline tax should increase by 10 cents a gallon immediately, to tide over the highway trust fund while the technology to enable VMT taxation is perfected and rolled out by 2020.

Any time a public body calls for "extensive public outreach" to explain a proposed policy, it's a sure sign that the technocrats and politicians know that the idea is likely to stir up a fuss.

Once individuals understand better, both the current predicament and the opportunity to achieve positive change, they are more likely to embrace it as the commission's report says.

The Obama administration is treading carefully on this issue. Transportation Secretary Ray LaHood has expressed opposition to raising the gas tax during a recession. He has said that the problem of how to pay for roads needs to be worked out with Congress and that the idea of vehicle miles traveled tax is just one of an array of options that deserves discussion.

Meanwhile, President Obama has made putting a price on carbon dioxide emissions a central part of his budget plan. For a motorist, that translates to a higher gas tax. The catch is that the extra money, under President Obama's budget plan, wouldn't go to roads.

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