



December 8, 2008

Save roads with a modest gas tax hike

There's no good time to raise taxes, and now, admittedly, is one of the worst. Still, for state elected officials to leave Michigan roads crumbling -- and even unplowed and unsalted this winter -- for lack of money is politically cowardly and publicly irresponsible.

Legislators should act during the lame duck session to increase funding for roads and transit systems -- and Gov. Jennifer Granholm, who so far has shown little courage or foresight on this issue, must take the lead. Waiting for dozens of new legislators to get up to speed on transportation issues next year would cause dangerous delays for the state's economy, quality of life and public safety.

Michigan's 19-cents-a-gallon gas tax was last raised by four cents in 1997. There's no magic number, but a temporary increase of nine cents a gallon, until the state can find better ways to pay for transportation, is reasonable. But an innovative plan by the Michigan Infrastructure and Transportation Association (MITA) is even better and deserves an immediate serious look. Michigan contractors seek \$1.4 billion in higher fuel taxes and registration fees. The plan, which would help stabilize revenues, calls for an increase in registration fees of up to 50% and replacing the per-gallon tax on gas and diesel with a percentage tax on the wholesale price of fuel.

A report released last month by a Granholm-appointed task force concluded that Michigan must double its transportation funding to more than \$6 billion a year -- a boost that would create tens of thousands of jobs -- just to keep roads and transit systems in good shape.

On state roads alone, Michigan is \$320 million a year short of what's needed to maintain them. Some county road commissions already leave snow unplowed and grass uncut. And from 2010-12, a projected shortfall of \$342 million in transportation revenue would prevent Michigan from providing the 20% match required for most of \$1 billion a year in federal transportation dollars. The state could lose more than 200 road projects, and nearly 8,000 jobs, by 2011.

To be sure, the gas tax is rapidly becoming obsolete. It's unstable, and revenue from it will keep falling as gas prices and fuel efficiency rise. Among the alternatives -- some cited by the governor's task force -- are tolls and odometer taxes. Still, getting new revenue systems in place could take years.

Michigan's transportation system and traveling public cannot wait.
