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Opinion

We need to bite bullet and approve road tax

Thursday, December 4, 2008 6:12 AM EST

By The Oakland Press

There is a new tax increase proposal geared to improving Michigan's crumbling highways. We're never excited about a tax increase but considering the condition of our roads and the fairness of the plan, we think it should be approved by the state legislature.

The Michigan Infrastructure and Transportation Association developed the proposal (www.mi-ita.com/pdf/MITA%20Proposal.pdf) that would start to implement the recommendations of the Michigan Transportation Funding Task Force.

The task force conducted a study earlier this year on the state's deteriorating road infrastructure and what could be done to fix the problem.

The association's proposal would change the current gas tax to an 18-percent wholesale fuel tax, which would decrease to 13 percent or 10 percent when gas prices rise. The decreasing tax rate is encouraging because it would take a little of the bite out of gas prices when they balloon to levels seen this past summer.

The proposal does include a 50-percent increase in vehicle registration fees and other funding reforms.

Admittedly, this will be particularly felt by drivers.

The association calculates the changes will cost the average driver an extra \$12 a month, or just 40-cents a day. The plan would add \$1.5 billion into Michigan's transportation network, including \$150 million a year for public transit.

This would increase transit funding by over 60 percent, providing benefits to current transit riders and allowing for major new investment in rapid transit, something that, based again on last summer's gas prices, has been proven to be badly needed.

Of the \$150 million, reportedly \$60-90 million of that would likely fund operations and improvement of Michigan's current bus systems, and at least \$60 million would be available to fund new rapid transit systems. With this investment, Michigan cities could make investments in new rapid transit, including Woodward light rail.

Also, according to an analysis of public transportation's economic impact by Cambridge Systematics, transit capital investment is a significant source of job creation.

In the year following the investment 314 jobs would be created for each \$10 million invested in transit capital funding. This analysis also found that transit operations spending provides a direct infusion to the local economy. Over 570 jobs are created for each \$10 million invested in the short run.

As we've said, the tax increase will be painful but not as painful as to let our roads continue to deteriorate.

And we're not just talking about the physical discomfort we'll feel going over the horribly potholed and bumpy roads.

There also will be a much deeper pain in our wallets, both personally, and in general. Individuals will feel the personal financial pain as costs of repairs to their vehicles skyrocket because of the continually disintegrating roads.

And, with a deteriorating road infrastructure, prospective businesses will be chased away from Michigan. So there will be a growing economic pain if something isn't done soon to fix our crumbling highways.

State lawmakers would have to draft legislation to institute this proposal, but it could be done and passed during this lame duck session. We urge them to do so.

GOOD MORNING

Despite what some people may believe, not all tax dollars are wasted. Some provide very needed community services.

Comments

The following are comments from the readers. In no way do they represent the view of theoaklanpress.com.

Ex-political Hack wrote on Dec 4, 2008 9:04 AM:

“ How about some reforms and accountability in road funding before we just raise taxes? What incentive do the road builders have to make roads that last and don’t crumble if we simply throw money at them to fix them every time? While the Big 3 has to come up with a reform plan why don’t the road builders? “

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chris wrote on Dec 4, 2008 9:13 AM:

“ Lets see raise taxes when no one has a job and cant support themselves or their famly and charge them more for tags when no one can make a house payment,how about we find out how much money is being wasted before we try to take more from the people who are not evn making it,just like the 700billion getting handed over what did the people get out of it I didnt see anyone get their home back the people are going to have to stand up just as our founding fathers did and say no to over taxation. “

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