

Top lawmaker wants mileage-based tax on vehicles

28 April 2009, By JOAN LOWY , Associated Press Writer

(AP) -- A House committee chairman said Tuesday that he wants Congress to enact a mileage-based tax on cars and trucks to pay for highway programs now rather than wait years to test the idea.

Rep. James Oberstar, D-Minn., said he believes the technology exists to implement a mileage tax. He said he sees no point in waiting years for the results of pilot programs since such a tax system is inevitable as federal gasoline tax revenues decline.

"Why do we need a pilot program? Why don't we just phase it in?" said Oberstar, the House Transportation and Infrastructure Committee chairman. Oberstar is drafting a six-year transportation bill to fund highway and transit programs that is expected to total around a half trillion dollars.

A congressionally mandated commission on transportation financing alternatives recommended switching to a vehicle-miles traveled tax, but estimated it would take a decade to put a national system in place.

"I think it can be done in far less than that, maybe two years," Oberstar said at a House hearing. He was responding to testimony by Rep. Earl Blumenauer, D-Ore., who recommended that the transportation bill include pilot programs in every state to test the viability of a mileage-based tax.

Blumenauer said public acceptance, not technology, is the main obstacle to a mileage-based tax.

Pilot programs "would be able to increase public awareness and comfort and it would hasten the day we could make the transition," Blumenauer said.

Oberstar shrugged off that concern.

"I'm at a point of impatience with more studies," Oberstar said. He suggested that Rep. Peter DeFazio, D-Ore., chairman of the highways and transit subcommittee, set up a meeting of transportation experts and members of Congress to figure out how it could be done.

The tax would entail equipping vehicles with GPS technology to determine how many miles a car has been driven and whether on interstate highways or secondary roads. The devices would also calculate the amount of tax owed.

"At this point there are a lot of things that are under consideration and there is also a strong need to find revenue," Oberstar spokesman Jim Berard said. "A vehicle miles-traveled tax is a logical complement, and perhaps a future replacement, for fuel taxes."

Gas tax revenues - the primary source of federal funding for highway programs - have dropped dramatically in the last two years, first because gas prices were high and later because of the economic downturn. They are forecast to continue going down as drivers switch to fuel efficient and alternative fuel vehicles.

Transportation Secretary Ray LaHood has ruled out raising gas taxes to make up for the funding shortfall, and the White House has rejected a mileage-based tax. They have not offered an alternative.

"The funding of the highway trust fund is a complex issue that will require consultation with Congress and consideration of a number of creative ideas," said Transportation Department spokeswoman Jill Zuckman. "The secretary looks forward to working with Chairman Oberstar and others as they consider how to keep the highway trust fund going."

A mileage-based tax has been unpopular in some

states where it has been proposed. Critics say it unfairly penalizes drivers who live in rural areas and intrudes on privacy.

"When we can solve the equity issues to a majority's satisfaction in the Congress, when we can solve the privacy issues to the satisfaction of the American people, we can look at moving forward, but I just don't think we have the data or the experience right now to say we can set a timeline or a deadline," DeFazio said in a recent interview.

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