

Paying the price

Gas-tax hike, tolls during rush hour may be in future

Transportation officials make case for raising taxes and fees to pay for roads

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Utahns would need to pay up to 40 cents per gallon in state gas tax and face a varying toll to drive during rush hours to cover transportation needs, say some state leaders.

Assistant Senate Majority Whip Sheldon Killpack and Stuart Adams, chairman of the Utah Transportation Commission, made the case for increasing taxes and fees to pay for roads during a panel discussion Tuesday at the Utah Taxpayers Association's Taxes Now Conference.

But don't expect to see any such increases before the November election. With gas prices already at around \$3.60 per gallon, politicians aren't likely to press the issue.

Regardless of its unpopularity, some leaders say a tax hike is the only way to keep up with demand. From 1990 to 2007, there was a 47 percent increase in state population and a 71 percent increase in miles driven, but only a 4 percent increase in road capacity, Adams said. There is still a \$16 billion need for new or widened highways and main roads in cities, but federal contributions are slowing while Utah's population is growing twice as fast as the nation's.

Adams mentioned some of the current projects, such as the Legacy Highway, or planned, such as the widening of Interstate 15 in Utah County.

"We're taking a big bite of the apple, but there's still a whole chunk that goes unfunded," said Adams, pointing to the Mountain View Corridor.

To find funding for that construction, Adams and Killpack suggested raising the flat-rate tax on gasoline, or indexing the gas tax so it's a percentage of the price of fuel instead of a per-gallon levy.

"Increased taxes are a last option after people realize we have exhausted all other options," Killpack said.

He suggested building toll roads or creating "congestion pricing," where motorists would pay a fee to drive during rush hours.

"We're never going to be able to build our way out of congestion, and with our current economic structure, we're never going to be able to buy our way out of congestion," said Killpack, adding that fuel taxes would have to go up to 40 cents per gallon.

Currently, Utah imposes a 24.5 cents-per-gallon fuel tax.

Dan England, chairman of C.R. England Trucking and a representative of the Utah Trucking Association, said he and his group support a fuel tax increase of 5 cents, but do not support the idea of charging more for travel during high-use times.

"Congestion pricing presupposes that people have a choice when they are on the roads," England said. "But we have schedules we have to follow. We can't control when our trucks are out on the roads."

England also predicts "a lot of opposition" from residents and legislators to congestion pricing.

But Chuck Chappel, executive director of the Wasatch Front Regional Council, says congestion pricing could revolutionize the way people view their commutes.

"Over time, people will take shorter trips due to congestion pricing," Chappel said. "People right now continue to live farther and farther out from their work, but people will begin to live closer to their jobs."

Killpack said giving people an economic incentive to stay off the roads during high-congestion times is the only way to change driver behavior, and the money from such programs would help the state pay for new roads.

"People want a better transportation system," Killpack said. "But they don't want to pay for it."
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Utah gas tax facts

The fuel tax was increased four times from 1978 to 1987, from 7 cents to 19 cents per gallon. It last was increased in 1997 from 19 cents to the current 24.5 cents per gallon.

Source: Utah Legislature

State gas taxes (per gallon)

Mountain West:

Montana 27

Idaho 26

Utah 24.5

Nevada 24.05

Colo. 22

New Mexico 18.875

Arizona 18

Wyoming 14

Nation:

Highest:

Washington 36

Lowest:

Alaska 8

Source: Federation of Tax Administrators