
Subject: Why Americans will soon pay more to drive every mile

Posted by [CyberkNight](#) on Mon, 14 Jan 2013 16:37:25 GMT

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The financial lookouts who toil in America's transportation departments have been waving red flags for years that there wasn't enough money to keep the nation's 4 million miles of roads and bridges drivable. Now the federal government's top accountant has told Congress it should experiment with taxing drivers by the mile to make up billions of dollars in shortfalls. The debate isn't whether you'll pay more to drive in the future, but how you'll pay -- and how much.

For decades, federal and state governments have relied on gasoline and diesel taxes to pay for road building and maintenance. By one industry group estimate, the nation needs a minimum of \$123 billion a year just to resurface roads and shore up the bridges it has, let alone build anything new.

But the tax side of that equation hasn't kept pace with those needs. The federal tax of 18.4 cents a gallon on gasoline was last raised in 1993. State taxes add on an average of 22 cents a gallon, and many of those haven't been raised in several years as well; Georgia charges the same 7.5 cents a gallon in taxes it did in 1971. (In Europe and Japan, fuel taxes for roads are 10 times higher.) And as new, more efficient vehicles hit the road -- along with electric cars and plug-in hybrids like the Chevy Volt, whose owners may buy a tank of gas every few months -- road-building taxes will soon start falling.

Since 2008, Congress has been forced to kick in \$52.8 billion to patch the sinkhole in the federal highway building fund; states have been forced to spend money from other sources or even turned rural roads from pavement back to gravel to keep maintenance costs down. The U.S. Government Accounting Office says over the next 10 years, the federal road jar will run \$110 billion short without changes.

The favored answer of road engineers? Taxing by the mile driven. A handful of states -- Oregon, Minnesota and Nevada -- have already tested ways to use GPS and other electronics to adjust taxes. In the Nevada and Oregon tests, drivers had devices installed on their cars that sent data to special fuel pumps; those pumps automatically adjusted their fees based on how far the vehicles had driven, without revealing data that would amount to tracking drivers.

The GAO told Congress this week it should allow a similar test on electric vehicles and commercial trucks, and estimated that a pay-by-the-mile tax of 0.9 cents to 2.2 cents per mile designed to replace fuel taxes would raise a typical driver's costs from \$98 to between \$108 to \$248.

Full article: <http://autos.yahoo.com/blogs/motoramic/why-americans-soon-pay-more-drive-every-mile-235604924.html>
