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Transportation Funding Proposal Forces GOP To Face Its Tax Phobia

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Isaiah J. Poole

A plan unveiled today in the Senate to raise enough money to keep the federal fund that pays for surface transportation projects from drying up within the next two

months comes with a dollop of plain truth: “Congress should be embarrassed that it has played chicken with the Highway Trust Fund and allowed it to become one of the largest budgeting failures in the federal government. If Americans feel that having modern roads and bridges is important then Congress should have the courage to pay for it.”

And that was from the *Republican* in the room.

Namely, that was Sen. Bob Corker (R-Tenn), who with Sen. Chris Murphy (D-Conn.) announced a bill that would increase the federal gasoline tax, which is set aside in the Highway Trust Fund, enough to maintain stable funding for the nation’s public transportation and road projects. The gasoline tax is the source of more than half the money the country spends on its roads and public transportation.

“We’re currently facing a transportation crisis that will only get worse if we don’t take bold action to fund the Highway Trust Fund,” Murphy said in a statement. “By modestly raising the federal gas tax, we can address a crippling economic liability for this country—the inability to finance long-term improvements to our crumbling national infrastructure.”

The federal gasoline tax has not been increased since 1993, and not only has inflation eroded its value (each dollar buys 37 percent less than it did in 1993) but the rise in fuel-efficient cars (as well as some that don’t use gasoline at all) means there is less money going into the fund. That has led to an imminent crisis: Unless Congress acts, the Highway Trust Fund will run dry as early as next month, construction projects across the country will grind to a halt, and [an estimated 700,000 jobs](#) would be lost.

The Murphy-Corker proposal would increase the federal gasoline tax of 18.3 cents a gallon by an additional 12 cents over two years. That would mean that by 2016 the gasoline tax would be close to what its value would have been had it increased with inflation. To address the concern of how higher gasoline taxes might affect working families and small businesses, the senators recommend making permanent some tax breaks for individuals and that are currently in a “tax extenders” bill awaiting congressional action.

If all of this sounds familiar – well, it is. Every time in the last decade or so that

Congress has been faced with a deadline for authorizing continued transportation spending, some hardy bipartisan group of lawmakers points out that maybe a tax that hasn't been increased since Whitney Houston first belted out "I Will Always Love You" might be due for a revision. But then the Republican phobia about increasing a tax – any tax, for any reason – kicks in, and the result is that the backlog of unaddressed transportation needs grows – as do the missed opportunities to create jobs.

If nothing else, the Murphy-Corker proposal is a challenge to lawmakers who want to keep cutting ribbons for new transportation projects in their districts but don't want to accept the leadership responsibility of finding honest ways to pay for those projects. That includes some Democrats who have been hoping that they could offer corporations a "repatriation tax holiday" – essentially, forgiveness for hiding profits overseas to avoid paying corporate taxes on them – in exchange for their buying infrastructure bonds. Today White House spokesman Jay Carney [came out in opposition](#) to a repatriation tax holiday, but we still have to stand guard against proposals that are in effect repatriation by another name.

As Corker said, if having a 21st-century transportation system is important – and it is as a fundamental element of reviving our economy and sustaining it for the future – "Congress should have the courage to pay for it." That could mean increasing the gasoline tax, or it could mean shifting to another funding stream that will give the federal government and the states the capacity to work together on planning and executing long-term projects that address our transportation needs. Whatever the solution is, it's past time for Congress to exercise leadership and get to work.

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