



Highway funding ideas labeled 'paper gimmicks'



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The conservative Taxpayers for Common Sense (TCS) group is accusing Congress of looking for an “easy way out” in its attempts to find a way to pay for new transportation projects without increasing the federal gas tax.

Lawmakers are looking for a way to close a **shortfall** in transportation funding that is estimated to be as high as \$16 billion before the Department of Transportation runs out of money for its Highway Trust Fund, which budget analysts have said could happen in August without congressional action.

Options such as tying transportation funding to closing corporate tax loopholes and cuts back at the Postal Service have been floated as lawmakers in both parties have tried to avoid increasing the tax that is paid by drivers.

The taxpayer group said on Friday that the ideas that have emerged from lawmakers thus far are “paper gimmicks,” however.

“The old saying is when the going gets tough, the tough get going. The question here is where are lawmakers going,” the group wrote in a **blog post** on its website. “Are they going to make tough decisions and find the transportation related revenue for their transportation spending appetite? Or are they going to try to find an easy route through starving other accounts, paper gimmicks, or raiding the treasury refrigerator?”

The traditional source for transportation funding is revenue that is collected by the federal gas tax, which has been stagnant since 1993 and was not indexed to inflation. The tax only brings in about \$34 billion per year, however, and the current level of transportation spending that infrastructure advocates want lawmakers to maintain is about \$50 billion annually.

Transportation advocates have pushed Congress to **increase** the gas tax for the first time in two decades to close the gap, but lawmakers have been reluctant to raise taxes in the middle of an election year.

The TCS group is normally not in favor of raising taxes, but the group said Friday that lawmakers should be looking for funding mechanism that preserve the user-pay system that was created when the gas tax was first implemented in the 1930s.

“The basic idea being that the system should be paid for by those using it and be self-sustaining,” the group wrote. “Thus you pay for the roads when you fill-up your F-150, not when you fill out your Form 1040. But in recent years the math hasn’t been working and we’ve run out of money.”

Lawmakers have looked for one-time cash infusions to pay for transportation projects before. But the taxpayer advocacy group said the recent ideas that have been floated were “new lows of ridiculous offsets

“Not surprisingly, it looks like lawmakers are trying to find an easy way out,” the group said.

“House Republicans have talked about using savings from getting rid of Saturday mail delivery as an offset,” the group continued. “Well, you could say that having fewer mail vehicles on the road reduces impact, but that’s pretty much the inverse of a user fee like the gas tax.”

A proposal from Democrats to use money from closing corporate tax loopholes to help pay for transportation projects did not fare any better with the taxpayer advocacy group.

“Not to be outdone, some senators are floating the idea of using multi-national corporations’ profits that are parked overseas as an offset,” TCS said. “There are several problems with these staggeringly bad ideas. One, they don’t fix any of the fundamental problems with the trust fund revenue shortfalls compared to lawmakers spending desires. Two, revenue generated from a tax holiday — if such a scam was to be perpetrated on taxpayers — should go to the Treasury, not some dedicated purpose.”

The current federal transportation bill is scheduled to expire on Sept. 30.

TAGS: Highway Trust Fund, Transportation Funding shortfall, Gas Tax, MAP-21 Reauthorization

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