

BARRY BLUESTONE AND STEPHANIE POLLACK

## Gas tax: Paying cents to save big bucks

By Barry Bluestone and Stephanie Pollack | February 26, 2009

WITH times as tough as they are, it is not surprising that Massachusetts legislators and residents are balking at Governor Patrick's proposal to raise the state gasoline tax. But before deciding whether an additional \$8 per month for the typical driver is too expensive, it's worth thinking about how much drivers will pay if the gas tax is not raised. Strange as it may seem, increasing the gas tax by 19 cents a gallon will actually save most Massachusetts drivers more than the higher tax will cost them.

How can that be?

If the gas tax does not go up, tolls (on the Pike and Tobin Bridge) and fares (for MBTA and regional transit riders) will. An increase of even 25 cents per toll or transit trip amounts to more than \$10 per month for regular users, so current toll payers and transit riders save if tolls and fares are frozen and the gas tax rises by the proposed 19 cents per gallon.

But what about those who never pay a toll or transit fare? They, too, are better off financially with a higher gas tax. Due in no small measure to inadequate funding, the Massachusetts transportation system is so poorly maintained and badly congested that Massachusetts motorists spend an estimated \$718 million each year on car repairs attributable to bad roads. This amounts to nearly \$300 per household or roughly three times the proposed gas tax increase. One blown-out tire or bent wheel can cost a lot more to fix than several years of a higher gas tax.

Inadequately maintained roads and lack of funding for paving and other improvements also contributes to Massachusetts's growing traffic congestion, which costs motorists both time and money. The Texas Transportation Institute has calculated that each rush-hour driver in metropolitan Boston bears an annual cost of \$895 due to time and gasoline wasted sitting in traffic jams.

The costs don't stop there. In addition to these out-of-pocket costs, Massachusetts taxpayers are already paying for years and even decades of deferred maintenance on roads, bridges, and transit. Bridges that aren't painted and maintained often require more extensive and costly repairs down the road. When conditions become unsafe, transportation officials are increasingly required to undertake expensive emergency repairs, which we pay for one way or another in the long run.

Perhaps most insidious is the cost of Massachusetts's longstanding reliance on debt to pay for basic road operations and maintenance. About half of the Massachusetts Highway Department's budget is currently funded by issuing 20-year bonds. That means

Massachusetts taxpayers are not only paying interest for 20 years on the costs of construction, but often on the salaries and supplies needed to pick up litter and mow grass in medians. Twenty years of interest payments more than doubles those highway maintenance costs. Without more gas tax revenues, Massachusetts will continue to issue bonds to pay for maintenance on state highways and this will cost taxpayers tens of millions of dollars in added debt service costs - which will, of course, come from income or sales taxes or other fees.

In many different ways, Massachusetts drivers, transit riders and taxpayers are paying the costs of the state's underfunded, debt-burdened, poorly maintained, inequitable, and unreliable transportation system. Our choice is not whether to pay for the transportation system, but how and when. We can continue paying for ever-higher tolls and transit fares, car repairs, time lost to traffic jams and delayed trains, wasted gasoline, emergency repairs, and soaring debt service charges. Or we can increase gasoline taxes and begin to reverse the cycle of denial and neglect that is costing Massachusetts and its residents dearly.

If we are wise, we will raise the gas tax now, and reform the way government offers transportation services - and most of us will save a bundle in the process.

*Barry Bluestone is director and Stephanie Pollack is associate director of the Dukakis Center for Urban and Regional Policy at Northeastern University. ■*