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Proposal to increase Maine gas tax in summer going nowhere fast

By Peter McGuire Staff Writer | April 2, 2019

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[Highlighted to reveal hypocrisy; where was this gentleman's concern, as the co-chair of the JSC on Transportation, when LD783 was unanimously rejected last month?]

A proposal to increase the state gas tax during the summer met broad opposition in the State House on Tuesday.

But even though a seasonal gas tax differential is unpopular, speakers signaled a willingness to address **Maine's chronically underfinanced transportation system** during public testimony on a handful of funding bills.

"We don't drive on Democratic or Republican roads, we drive on Maine roads," said Rep. Andrew McLean, D-Gorham, sponsor of the seasonal gas tax bill. "Solving the problem is too important for partisanship and narrow interests to get in the way."

The state's highway maintenance budget has a \$108 million shortfall annually, roughly one-quarter of the need for paving, bridges, road repair and construction, and mobility improvements, the Maine Department of Transportation said.

That shortfall persists even though the state borrows \$100 million a year to cover spending gaps – a strategy McLean considers unsustainable.

"In the short term, we know that we simply need to spend more on maintaining and upgrading the system," McLean said. "Simply put, the policy answer is more money."

Two bills McLean proposed this session address that issue. The first would increase the gas tax to 37 cents a gallon between June 1 and Oct. 31, but reduce the tax to 27 cents a gallon – 3 cents less than the present tax – during the rest of the year. That bill would help "export" the cost of taking care of Maine's highways to out-of-state visitors, he said.

That plan was criticized by the tourism industry, wary of the public relations impact of a fee that targets its customers. The Maine Potato Board and the Professional Logging Contractors of Maine also opposed the proposal.

"Seasonal assessments just seem like we are sticking it to the tourists," said Greg Dugal, director of government affairs for Hospitality Maine, a trade group representing hotels and restaurants. A tax during the busy summer travel season would affect Maine residents, too, he said.

“Why would you create this tax seasonally when it should be on all gas taxes year round?” Dugal said. “It has been too long since we raised the gas tax.”

Dana Doran, executive director of the Professional Logging Contractors of Maine, concurred.

“I oppose the bill because I do not think it goes far enough,” Doran said. “We feel like the fuel tax has to be socialized across the spectrum of users.”

Even though more cars are on the road in the summer, Maine doesn’t make much more money from the gas tax in the summer than it does in the rest of the year, Department of Transportation Commissioner Bruce Van Note said, noting that boosting the seasonal tax might not raise more money and could scare off tourists and cause fiscal woes.

“It appears the benefits of seasonal variation are outweighed by those other concerns,” he said.

Maine’s primary highway revenue, a 30-cent per gallon gasoline tax, has not changed since 2011. The 18-cent per gallon federal gas tax hasn’t increased in 26 years. Higher fuel efficiency and hybrid-electric and all-electric vehicles cut further into fuel tax revenues.

Twenty-seven states and the District of Columbia have implemented gas tax increases to address budget shortfalls since 2013, according to the National Conference of State Legislators.

Maine can afford to improve and rebuild only about 650 miles of state roads in the next three years, 7 percent of the state’s highway inventory, according to the transportation department. Almost half of state roads are scheduled only for a light repaving every seven years.

Another bill McLean is proposing, L.D. 1034, would broaden transportation funding by increasing Maine’s gasoline tax to 36.5 cents a gallon, hike fees on at least 20 different licenses, tests, documents and applications, allocate 5 percent of state sales tax on transportation-related purchases to the state highway fund and bump the tax on rental cars from 10 percent to 12 percent.

That bill is among a handful trying to move Maine toward a solution to its longstanding highway funding problem. Others proposals include a blue ribbon commission, a consensus funding plan from the transportation committee and fees on plug-in electric vehicles.

How can the same people continue to claim that the sky is falling when they see no problem in spending \$79.25 million of our limited state and federal transportation dollars on a controversial project that many of us oppose? Shame on these people...