

# Lawmakers shouldn't overlook gas tax increase to pay for infrastructure, transportation



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A road work sign at the University of Maine alerts drivers about upcoming construction. Credit: Nina Mahaleris / BDN

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No one in Washington these days is a fan of the gas tax. That's unfortunate.

Late last week, President Joe Biden voiced his [objection to raising the fuel tax](#) by indexing it to inflation, as part of the plan to pay for a roughly \$1 trillion infrastructure plan that is currently being negotiated in Congress. Many members of Congress, both Republicans and Democrats, also object to increasing the tax.

Among a group of 21 senators, including Sens. Susan Collins and Angus King, who are working to craft a compromise for infrastructure legislation, [attention has turned](#) to other funding sources, such as closing tax loopholes and increasing IRS enforcement of tax laws to collect more revenue. Rep. Jared Golden has also [identified heightened IRS enforcement](#) as a funding source for a bipartisan infrastructure plan negotiated by the Problem Solvers Caucus, a group of Democratic and Republican House members.

Abandoning an increase in the gas tax may be counterproductive.

The federal gas tax — 18.4 cents per gallon — has not been raised since 1993. As a result, the tax is [now worth](#) only 10.2 cents per gallon after adjusting for inflation. The tax on diesel fuel is 24.4 cents per gallon and has also remained untouched since 1993. Neither are automatically raised (indexed) to keep pace with inflation.

As a means for paying for needed road work, the fuel tax falls woefully short.

According to Reuters, Congress has transferred about \$141 billion to the Highway Trust Fund since 2008 to pay for road repairs because of insufficient fuel tax revenue.

Certainly a higher gas tax won't cover the cost of an infrastructure plan that will hopefully pass Congress. And, we understand Biden's hesitancy to raise taxes on low- and middle-class Americans. The gas tax is [somewhat regressive](#), but it is also tied to how much people drive — a connection that is important when it comes to funding transportation projects.

An increase in federal fuel taxes is long overdue as a way to raise some of the funds needed to maintain and upgrade our highways and other transportation infrastructure.

A fee based on miles driven is gaining popularity in lieu of gas taxes, partly because owners of electric vehicles would have to pay. They do not pay fuel taxes because they don't buy gas for fully electric vehicles.

However, there are currently [very few electric vehicles](#) in use in the U.S., so such a fee would bring in little federal revenue according to the Congressional Budget Office.

Maine, like most states, has its own tax on fuel. Those [taxes](#) — 30 cents per gallon for gasoline and 31.2 cents per gallon for diesel — have not been increased since 2011, when lawmakers passed legislation to end the indexing of fuel taxes in Maine.

Maine's annual road and bridge funding shortfall — the gap between what the department says it needs to spend to maintain the system and the amount of money it expects to have available to fund this work — stands at \$232 million. And this assumes that voters will approve about \$100 million in borrowing for transportation projects each year, so the actual gap is more like \$332 million.

Last year in its three-year work plan, the Maine Department of Transportation warned that it will upgrade and maintain [fewer roads and bridges](#) while spending more money to do so. This was before the pandemic, during which state highway fund revenue dropped as people drove less. An increase in federal fuel taxes is long overdue as a way to raise some of the funds needed to maintain and upgrade our highways and other transportation infrastructure.

A [commission](#) charged with finding ways to plug this transportation funding shortfall simply called for more state funding last year, but did not point to where that money should come from.

Raising fuel taxes and indexing them to inflation is not the full solution to the country and state's transportation funding shortfalls. But, taking them off the table makes plugging these holes — and paying for new infrastructure — more difficult.