

Senate Bill 5: Fee for Miles Driven in PA - Article 2

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Proposal to end Pennsylvania gas tax could cost you more

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There are new proposals to reduce or eliminate Pennsylvania's gas tax, which is one of the highest in the nation. But these alternatives could cost you more money.

As our 8 On Your Side investigation has shown, gas tax revenue and motor license fees bring in about \$4.5 billion, but only \$2.7 billion is going to roads and bridges.

The rest of the money goes to the Pennsylvania State Police, Driver & Vehicle Services and the Pennsylvania Turnpike, not toward maintaining roads and bridges.

Even if all the gas tax revenue went to roads and bridges, PennDOT said it would still not be enough.

"We continue to try to be more efficient in everything we do, but you can't efficient your way out of an \$8 billion shortfall," PennDOT acting Executive Deputy Secretary Melissa Batula said.

That's right – \$8 billion. That's how much more PennDOT said it needs each year to properly maintain roads and 25,000 state bridges.

New funding proposals

Last year, the state's Transportation Revenue Options Commission offered six new possible funding sources to phase out the gas tax, including tolls on certain roads and bridges, package delivery fees and increased registration fees.

But getting the most attention is a tax on how many miles you drive. **The tax could triple what you're already paying.**

For example, if your vehicle gets 20 miles per gallon and you're driving 12,000 miles a year, you'll buy about 600 gallons of gas and pay \$352 a year.

Using the same numbers for miles per gallon, miles traveled and gallons purchased and adding the vehicle miles traveled tax – or VMT – at the proposed rate of 8.1 cents per mile, you'll pay \$972.

A VMT is still at least five to 10 years away, but the gas tax as it stands is not considered sustainable.

Gas tax revenue has been dropping steadily. As more hybrids and electric vehicles hit the roads, drivers are buying less gas.

"They're driving and they're certainly getting the fuel savings that certainly they should. But they're also not contributing to the roadway system because they're not paying that piece of the gas tax," Batula said.

"We have a tax right now that's based on the consumption of fossil fuels – gasoline or diesel fuel – and then we have an energy policy, and sort of an economy, a market for vehicles that are going to be powered by something else," said Bob Latham, with Associated Pennsylvania Constructors.

Currently, the state police receive \$673 million from the Motor License Fund and the gas tax.

In his budget address Tuesday, Gov. Tom Wolf proposed moving \$141 million from the General Fund to the state police to reduce reliance on the gas tax.