



## **What's better: A user fee tied to mileage or the current gas tax?**

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As some drivers switch to electric and hybrid cars, a federally-funded study is currently underway to see how Pennsylvania and other states will plug budget holes if gas tax revenue begins to decline.

A group called the I-95 Coalition, a transportation policy organization covering the states crossed by the interstate, is working on the study.

While electric and hybrid cars are just a tiny fraction of the 10.4 million vehicles on Pennsylvania's roads, their numbers are growing. Since 2013, when the gas tax was increased, the number of electric vehicles registered in Pennsylvania has doubled — from 1,653 to 3,599.

Combined, the number of hybrid and electric vehicles in the state has increased from 22,817 in 2013 to 28,394 last year.

The coalition, which includes all the departments of transportation and the major toll and turnpike agencies in the region, is focusing its \$1.16 million project in Delaware and Pennsylvania on public education and a 50-motorist three-month pilot program to examine how the user-fee concept might work.

“This is a paper exercise to see how it might work: no money being collected, but just a process being designed to look at alternatives,” said Jan Huzvar, a PennDOT spokeswoman.

“As more of the nation's fleet becomes efficient from a (miles per gallon) standpoint and more electric cars, there needs to be a fair mechanism for all vehicles to pay a user fee,” she said.

The Pennsylvania state and federal gas taxes add 76 cents to every gallon of gas at the pump, according to the Tax Foundation. Last year, the state gas tax poured \$1.7 billion into the state's Motor License Fund, according to the state Department of Revenue.

The user fee could either replace or augment the existing gas tax. Any broad move to implement a user fee tied to mileage would need to be based on legislation passed by the General Assembly.

A study in Oregon involves 1,000 volunteer motorists who are charged 1.5 cents for every mile they drive, according to an analysis of the study done by the Cato Institute.

Tracking devices are placed on their vehicles and their user fees tacked onto their bills when they visit specially equipped gas pumps. The gas pumps swap the state's gas tax with the user fee, said Jason Wagner, director of the Pennsylvania Highway Information Association.

The problem with launching such a system statewide is that there would be a huge cost in getting every motorist to add a tracking device to their vehicles, plus gas stations would need to get the special pumps, Wagner said.

Another of the concerns state policymakers have about rolling out user-fees based on tracking each vehicle's mileage is that it may be difficult to capture revenue from out-of-state vehicles, Wagner said.

If you had to choose one, would you be more in favor of paying a user fee tied to mileage or the current gas tax?