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EDITORIAL: Sorry saga of the gas tax

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The federal tax on gasoline is currently 18.4 cents per gallon for unleaded and 23.4 cents for diesel–exactly the same as it was 25 years ago, back in October 1993 when the average price of a gallon of gas was just $1.11.

But since the gas tax wasn't indexed to inflation, its purchasing power has since declined 64 percent.

Virginia upped its state gas to 22.4 cents per gallon in 2015, bringing the total tax to 40.8 cents per gallon of gas purchased in the commonwealth. It's not enough.

The purpose of the gas tax is to build and maintain the nation's roads, highways and bridges, but over the years it has been used as a piggy bank by politicians in both Washington and Richmond.

Meanwhile, federal CAFE standards have been enormously successful in reducing the amount of gas used by today's automobiles, and the introduction of electric and hybrid vehicles further reduced revenues.

As early as 1932, a supposed temporary 1-cent-a-gallon federal tax on gasoline was used for deficit reduction, not road building.

By 1956, Congress had raised the gas tax to 3 cents a gallon and established the now dwindling Highway Trust Fund to pay for building the nation's interstate highway system.

But when Congress broke the direct link between the federal gas tax and infrastructure funding in 1990 and again in 1993 by raising the gas tax while allocating half of all the new revenue to deficit reduction instead of transportation, the public rebelled, and further gas tax hikes became politically unpalatable.

Contrary to popular belief, state and local governments own 98 percent of the nation's highways, bridges, roads and streets.

So it is their responsibility to make sure the transportation system is updated and remains in a state of good repair.

Although "responsibility has become confused over time" due to overlapping funding and regulatory control with the federal government, the Cato Institute's Chris Edwards points out that increased intervention by Washington "would only further encourage 'learned helplessness' on the part of state and local governments."

Noting that the states have vastly different transportation needs, “it makes more sense for each state to adjust its own gas tax to fit its highway revenue needs than for the federal government to impose a single gas tax on the whole country,” Edwards added.

But states have the same problem as the federal government. They view the gas tax as an ATM to draw money from whenever they need it.

In March, the General Assembly approved a floor for Hampton Roads’ and Northern Virginia’s 2.1 cent regional gas surcharge (set at $3.17 a gallon, which was the average wholesale price on Feb. 20, 2013, when the legislature approved a $6 billion transportation package) in order to maintain revenue levels even when gas prices drop.

At the time, officials estimated the floor would generate an additional $45.2 million in Northern Virginia (including the Fredericksburg region), and $21.9 million in Hampton Roads.

However, that $45.2 million was earmarked for transit, specifically the Washington Metropolitan Area Transit Authority ($18.6 million), the Virginia Railway Express ($8.6 million), and the Potomac and Rappahannock Transportation Commission ($18 million), not road improvements.

As The Free Lance–Star’s Scott Shenk reported in September, preliminary figures indicate that Fredericksburg, Stafford and Spotsylvania will wind up with only a measly $2.2 million combined.

That might pay for one intersection improvement, but not much more.

It’s only fair that people who use the roads pay for them. But it’s not fair to use the revenue collected from motorists under the guise of a gas tax to fund other political and legislative priorities, no matter how worthy.

Like Congress’ diversions of the federal gas tax to reduce the deficit (caused by its own overspending), state and regional gas taxes have too often been diverted from their intended purpose—building and maintaining roads and bridges—even as the list of critical but unfunded projects grew longer with each passing year.

In April, VDOT’s chief engineer told the Commonwealth Transportation Board that it would cost $13.1 billion just to get all the pavement on Virginia’s crumbling roads and bridges up to “fair condition”—which he said is “impossible” under current funding levels.

Skeptical motorists in Virginia would be more likely to support a gas tax increase for road improvements if and when Richmond stops spending their money on something else.