



## **Your Money: Taxed On How Many Miles You Drive?**

By Kristine Frazao

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More than a dozen states, including California, are now considering charging drivers based on how many miles they drive.

Reporter Kristine Frazao takes a look at what this could mean in the future for everyone.

It's called a VMT tax for Vehicle Miles Traveled.

Soon thousands of volunteers in Oregon will have mileage meters installed in their cars, and at least 18 other states are considering the program.

Instead of a toll, it would act like a user fee where the more you drive on the road, the more taxes you would pay.

According to predictions by the Congressional budget Office, money to fund roads and bridges is drying up, despite sky high gas taxes.

The VMT would supposedly be in place of taxes at the pump, which could benefit the larger gas guzzlers and penalize the smaller fuel efficient cars.

There are more and more fuel efficient cars on the road now and state legislators looking into this say more miles per gallon for drivers, means less gas tax revenue for states... and states always want more money.

Dan Mitchell is an economist and senior fellow with the Cato Institute, a libertarian think tank, and he says consumers should be warned. "When politicians are talking about a new source of revenue, you better believe that ordinary people are going to lose out, and the political class: the lobbyists, special interests, the politicians themselves – they'll wind up being the winners."

Mitchell says the other major issue is privacy because a GPS monitor in your car could record not only how many miles you drive, but also where you go and when.

Mitchell warns it could be a very slippery slope. "You better believe once they get this information, it's just going to be a matter of time before politicians say, well let's start levying speeding fines because now we can see."

But with revenue for the nations' roads projected to continue to fall, lawmakers are accelerating their efforts to find solutions.