

WAUSAU DAILY HERALD

TINKERING WITH GAS TAX IS NO SOLUTION

EDITORIAL

Sunday, October 30, 2005

Back in September, when hurricanes were disrupting gasoline supplies and prices were at their most volatile, Wisconsin lawmakers sprang into action.

They introduced legislation intended to win them votes and make them popular - at enormous cost to the state and its future.

A group of senators, including Eau Claire Republican Dave Zien, sponsored a bill that would repeal the state's annual gas-tax increase - an easy target if ever there was one.

Now that prices have stabilized and even fallen a bit, the bill is on hold - odd, isn't it, how we get hysterical over increases but settle down when prices drop, even if they drop to a level that's well above the original price?

In any event, the bill still is pending and no doubt will return when prices spike again. But passing it, while politically popular, would be short-sighted and harmful.

Wisconsin's gas tax, now at 29.9 cents per gallon, is pretty high. According to the American Petroleum Institute, it's eighth-highest in the country and well above the Midwest average of 21 cents per gallon.

Add federal tax to the equation and Wisconsin consumers are paying a total of 51.3 cents in tax on every gallon they pump into their cars. (See the full report by visiting api.org and searching for "tax.")

And Wisconsin's tax rate climbs every year. Legislators have built the increase into state law so they don't have to vote for it - or be blamed for voting in favor of an increase. Every April, the tax goes up by a fraction of the consumer price index. Next year, it will increase about 0.8 cents per gallon - eight-tenths of one penny.

That isn't much. And the bill introduced by Zien and his comrades would eliminate the annual increase.

Why is that a bad idea?

For starters, the bill would eliminate the tax but not the annual increase built into the state's transportation budget. See, every penny of Wisconsin's gasoline tax is dedicated to

road construction, repair and maintenance. Those costs keep increasing, so the transportation budget keeps increasing.

The senators who introduced the bill instead want to take money from the general fund and use it to fill the hole left by eliminating the gas tax increase. In other words, they're robbing Peter to pay Paul because taxes are taxes - they all come out of our pockets.

The hole would be about \$30 million a year - the first year. It would be about \$60 million the second year, \$90 million the third and so forth.

And what does eliminating the 0.8 cent increase do for you?

If you drive an average car the average number of miles every year, about 15,000, eliminating the annual increase would save you about \$4.

That's right. Four bucks.

That four bucks translates into \$30 million when multiplied by every motorist in the state - including those who drive much more than average.

Those millions buy us pothole repair, snow plows, transit systems, safety programs and other transportation benefits.

We've already seen counties in central Wisconsin cut snow-plowing routes for this winter because the state has cut back on reimbursement for those services. A loaded plow truck gets only 3 or 4 miles per gallon. With gasoline at \$2.60 per gallon, keeping highways clear is among the most expensive services the county will provide in coming months.

More transportation cuts will make driving more hazardous and trips take longer. They already have forced cities to slash transit routes. Come spring, potholes will gape.

No one likes paying taxes. But gasoline taxes are user fees - they're spent directly on the roads people use when burning gas. If we really want to get a grip on gas prices, we need energy policies that increase efficiency, bolster refining capacity and encourage use of renewable sources.

We can eliminate the 0.8 cent increase, but we'll have to either cut \$30 million in road services or make up the money from somewhere else.

Put in perspective, that four bucks seems pretty paltry. And those politicians who promise to ease our fuel woes by eliminating the increase look pretty shameless.