

Fair and broad

George Miller knows a little bit about tax policy.

The 78-year-old Durham lawyer was a member of the North Carolina House for nearly three decades and chaired the powerful House Finance Committee during part of that tenure.

A short man with a shock of white hair, Miller is still seen puttering through the halls of the Legislative Building on occasion. Most recently, he was doing so as a member of the 21st Century Transportation Committee, a group appointed by legislative leaders to try to figure out a way to turn North Carolina back into the Good Roads State, or something like that.

As the group prepared to approve its final report, Miller had a little advice that should be obvious but isn't always.

"I think we all agree, taxes should be fair and spread broadly across the population," he said.

But do we all agree?

It's not real clear that his fellow committee members do.

In their final report, they came up with a list of options designed to raise more money to build highways and pay for mass transit. The reason for the list is that road dollars — dependent on a per gallon gasoline tax — aren't keeping pace with the state's population growth. In an era when cars are becoming more fuel-efficient, the gas tax isn't what it used to be.

So, the committee recommended some revenue-boosting options, including an increase to the highway use tax, now at 3 percent of a car's sales price, to 4 percent; increasing vehicle registration fees from \$28 to \$58 over three years; allowing a local option sales tax as high as 1 percent for local transportation projects; increasing the use of tolls, including adding toll collection along Interstate 95 and Interstate 77.

A more novel committee proposal is



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the creation of a Vehicle Miles Travel tax in which car owners are taxed a quarter-cent for every mile driven. A similar plan is being tried in Oregon and in some European countries.

But would this kind of tax be, in Miller's words, "fair and spread broadly across the population"?

No, it wouldn't. It wouldn't be fair to North Carolinians who live in communities bordering other states and who regularly drive in those states. It wouldn't be fair to the retiree who decides to take a cross-country vacation, only to return home and be taxed for a bunch of miles never driven on North Carolina roads.

Of equal importance, the tax might not apply broadly across the population. For example, would it apply to commercial vehicles, traveling tens of thousands of miles on state highways each year? If not, then aren't the customers who receive the benefits of that commercial traffic being subsidized by those who aren't and may be driving more?

The point is, no matter how much or how little we drive, we all benefit from an efficient, effective transportation system.

And any changes to the way we pay for roads should keep that principle in mind.

Scott Mooneyham writes about North Carolina politics for the Capitol Press Association.

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