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## Mileage-based tax proposed

**State panel endorses idea of levy tied to yearly miles logged on a car's odometer.**

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RALEIGH A special transportation committee gave final approval Wednesday to a report that proposes a new tax on the number of miles a car is driven each year, as well as other options for generating highway and transit money.

The vehicle miles tax would be calculated during the car's annual inspection and likely would supplement or replace the gas tax.

Legislators on the 21st Century Transportation Committee cautioned that a new tax is unlikely to advance during a budget crisis.

The special committee was formed to propose a menu of options for transportation funding, because the state's primary sources of money – the gas tax and a tax on car sales – are flat or declining.

The group also proposed toll booths on I-77 and I-95.

Committee member Chuck McGrady, however, said the committee skirted the question of overhauling how the Department of Transportation operates after years of complaints about turf battles, political patronage and dysfunctional divisions.

“We haven't gone far enough,” said McGrady, a Henderson County commissioner.

Asheville Mayor Terry Bellamy, another committee member, cast the lone no vote on the final version of the recommendations, saying the vehicle miles tax unfairly penalized rural residents with long commutes and no public transportation.

Committee chairman Brad Wilson, chief operating officer of Blue Cross Blue Shield of North Carolina, said the report could gather dust on a shelf unless individuals and communities support the recommendations. He acknowledged that raising new taxes is unpopular but said that a failing transportation system will make the state less attractive to new employers.

Steve Jackson, an analyst who focuses on transportation issues for the North Carolina Justice Center's Budget & Tax Center, criticized the report as lacking vision.

“The report offers no consistent vision for how to move forward,” he said in a news release. “... The policy solutions suggested are more 1955 than 2055.”



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