

## N.C. looks at taxing drivers by the mile

**Idea for road-use tax is expected to hinge on odometer readings, then GPS tracking, to replace revenue lost to fuel efficiency.**

By Steve Harrison  
sharrison@charlotteobserver.com  
Posted: Monday, Dec. 15, 2008

### More Information

- [Road looms over new condos](#)

With gas-tax revenues plummeting, the state of North Carolina is looking seriously at taxing motorists for how far they drive.

If the "road-use tax" is implemented, it would at first be simple – with the state checking your odometer annually and taxing you based on how many miles you have driven. But transportation experts say new GPS technology could allow the state to charge people different rates based on when and where they drive, in an attempt to manage congestion.

Talk of a Vehicle Miles Traveled tax has long been discussed as a necessity in a decade or so, because cars are becoming more fuel efficient, and states and the federal government are losing gas-tax revenue.

But there is now a sense of urgency about the new VMT tax. When gas hit \$4 a gallon this summer, Americans sharply curtailed their driving. And when the economy cratered this fall, the driving rollback continued, even when gas prices plummeted.

The 21st Century Transportation Committee suggested that, in addition to the gas tax, motorists pay a quarter-cent for each mile they drive, with the first 2,000 miles annually free. A motorist who drives 12,000 miles a year would pay \$25 – possibly due when the driver gets the car inspected.

It's unlikely the General Assembly will add a new tax in 2009, during a recession.

But the N.C. Department of Transportation will need help soon. Revenue from the motor fuel tax of 29.9 cents per gallon is down 12 percent this year, and the state expects a three-year loss of \$580 million.

The U.S. Department of Transportation reported that Americans drove 100 billion fewer miles between November 2007 and October 2008 – the largest continuous decline in history.

"The status quo isn't an option," said Mark Finlayson, who co-chairs the transportation advocacy group N.C. Go!. "Cars are now using less fuel, but they are still putting wear and tear on the roads."

### Beyond North Carolina

North Carolina isn't the only state interested in a VMT tax. Oregon has studied it, and a number of other states and the federal government are considering road-use taxes.

"When we have plug-in hybrids, they won't be stopping at the gas pump," said Steve Polzin of the University of South Florida's Center for Urban Transportation Research. "Everyone is looking to capture that market. If we don't, we'll see some pretty serious effects."

The University of Iowa is conducting a study in six metro areas – including Raleigh-Durham – in which computers are placed in people’s cars, and the amount of miles people drive is then uploaded to a central database.

Motorists would be billed, and the money then distributed to the states where the travel took place. So if you drive 180 miles across North Carolina on Interstate 95 but didn’t buy gas in the state, the DOT here would still get money.

If states wanted to encourage people to continue driving fuel-efficient vehicles, the per-mile charge could vary depending on what you drive. A hybrid might be charged one-fifth-cent per mile, while an SUV might be charged a half-cent.

David Farren of the Southern Environmental Law Center said he supports a VMT tax. He said the tax would encourage people to live closer together, lessening the impact automobiles have on the environment. The government should not only encourage people to use less gas, but also to drive less, he said.

“The gas tax is good from an environmental perspective, because it directly taxes you based on how much you are polluting,” Farren said. “But there are other policy considerations based on water quality, and loss of open space.”

He was critical of the transportation committee’s study, saying it focused on finding new ways to get money instead of considering other ways to move people.

“They want to continue a 1950s method of transportation,” Farren said. “They just throw money at old solutions, like beltways.”



 [Subscribe to The Charlotte Observer & Earn Miles.](#)

[Disclaimer](#)

The Charlotte Observer is pleased to be able to offer its users the opportunity to make comments and hold conversations online. However, the interactive nature of the internet makes it impracticable for our staff to monitor each and every posting.

POWERED BY 

You must be logged in to leave a comment. [Login](#) | [Register](#)

Comments:  103 Showing: Newest first 



[jtshell](#) wrote on 12/15/2008 02:11:19 PM:

Wouldn't it be better to put respirators on all of us and charge us for every breath we take? That would be more in the longstanding tradition of our Governors and Legislature. <http://thehickoryhound.blogspot.com/>

[Recommend \(0\)](#)

 [Report abuse](#)



[faith85967](#) wrote on 12/15/2008 02:05:12 PM:

Ok, I will just sell my car to my family members in another state and pay the taxes and insurance, but drive it in NC. If enough people do it then they will have to do something else. I mean I am not for raising tax, but raise the tax we pay at the pump, that way everyone who uses the road will pay. I mean what about the people who come down to visit. They use our roads, and this way they can help pay for the up keep.

Since charlotteobserver.com does not control user submitted statements, we cannot promise that readers will not occasionally find offensive or inaccurate comments posted on our website. In addition, we remind anyone interested in making an online comment that responsibility for statements posted lies with the person submitting the comment, not The