

## Transportation officials back higher taxes on gas, vehicles

By Len Lazarick  
Examiner Staff Writer

Marylanders need to pay higher taxes on gasoline, car and truck purchases and higher corporate income taxes to generate over \$400 million a year to keep up with highway and transit needs, state transportation officials told legislators Tuesday.

"We have no money for any additional projects," Transportation Secretary John Porcari told a joint hearing of fiscal committees. "We're struggling to keep pace with the program."

The state needs \$400 million to \$600 million per year to build or improve \$40 billion worth of projects over the next 20 years, based on 3 percent inflation, including \$6 billion in four transit projects, Porcari said.

"At least the first \$200 million is solely to go to system preservation," Porcari said.

Maryland's highways, bridges and mass transit are getting older and more heavily used, Porcari said, and construction costs are going up rapidly. Road resurfacing costs 225 percent more than it did 15 years ago, he said. That translates to \$2 billion for resurfacing Maryland's part of the Capital Beltway.

"I think the solution needs to start with indexing the gas tax that we have," Porcari said, so that funding keeps up with rising costs. The gasoline tax of 23.5 cents per gallon has not gone up in 15 years.

The governor told legislators Tuesday he didn't want to increase the gas tax, but Porcari said "indexing is a separate and distinct issue"

**“** We have no money for any additional projects. We're struggling to keep pace with the program.”

— John Porcari, Transportation Secretary

than putting 5 or 10 cents more immediately on the gasoline tax. Indexing would help revenues keep pace with cost inflation.

Over the past 15 years, indexing would have meant that Maryland's gas tax would be at least 10 cents per gallon more than it now is, legislative analysts said.

Porcari said he also favors increasing the titling tax from 5 to 6 percent, and also backs even higher taxes for vehicles weighing more than 3,700 pounds — larger cars, big trucks and SUVs. A \$25,000 car would cost \$250 more, under the plan, raising \$163 million a year.

Porcari would also raise the corporate income tax from 7 to 8 percent, bringing in another \$61 million.

Business representatives strongly backed higher taxes for roads and transit. "Inadequate transportation funding represents the most significant challenge to Maryland's economic growth over the next decade," said Donald Fry, president of the Greater Baltimore Committee. The Washington Board of Trade chimed in with its support.

Both groups have consistently supported more money for transportation for years.

llazarick@baltimoreexaminer.com