

More than spinning wheels

WHEN THE BUSINESS COMMUNITY complains that it's not getting taxed enough, attention must be paid. Gov. Martin O'Malley's proposed \$392 million plan to improve the state's transportation system doesn't raise enough money to suit two influential business groups, the **Greater Baltimore Committee** and the Greater Washington Board of Trade. Both would like to see a 10-cent increase in the gas tax and at least \$600 million spent annually on transportation infrastructure.

Why? Because spending more money on transit and roads might be the single most important measure state government can take to help ensure Maryland's economic prosperity.

That notion may surprise some, but the GBC and others know a thing or two about job creation. Maryland has a backlog of \$40 billion in transportation projects — not to mention some of the worst commuting times in the nation. Gridlock, not marginal increases in taxes, is the far more serious threat to the state's economic well-being.

Mr. O'Malley would raise transportation revenue chiefly by increasing the vehicle titling tax from 5 percent to 6 percent to mirror his proposed 6-cent sales tax. He would raise the balance of his \$392 million through a handful of other measures, including indexing the state's current 23.5-cent gas tax to rising construction costs.

The governor would also redirect certain

transportation-related fees that now go to the general fund as well as allocate half of a proposed 1 percent increase in the corporate tax for transportation.

But experts caution that the first \$250 million will be needed just to preserve existing roads and transit. Addressing future needs, such as increasing capacity on the MARC commuter rail system or creating an east-west light rail line through Baltimore, requires far more. As GBC President Donald C. Fry explains, "With \$400 million, you're really just treading water; at \$600 million, you might actually make a dent in the backlog."

Mr. O'Malley's reluctance to raise the gas tax is understandable. He's already stretching his political neck out with the various tax increases included in his \$2 billion deficit-reduction plan. The public won't necessarily appreciate that gas taxes finance transportation exclusively and have little, if anything, to do with the deficit.

But if not now, when? If the state doesn't raise sufficient revenue for transportation as part of the deficit-reduction package, there's little chance the problem will be addressed for a half-decade or more — when projects will be all the more expensive.

Exactly how to pay for transportation can be debated, but an adequately financed transportation system ought to be a given. Prominent business leaders understand this, and Mr. O'Malley and the General Assembly would be wise to pay heed.