



## Taxes on the table for transportation

January 14, 2013

(NECN: Peter Howe, Boston) - After years of talk about what an underfunded mess Massachusetts faces in transportation, on Monday, state officials rolled out a report that puts a price tag – and some potentially unpopular tax increases – on the table.

The new report by the state Department of Transportation says that to maintain the current network of highways and mass transit, cover the costs of Boston's \$15 billion Big Dig, fix the chronic MBTA budget crisis and invest in expansions of rail to Springfield, New Bedford, Fall River and Hyannis and pay for an MBTA Green Line extension to Somerville and Medford will cost \$1.02 billion per year over the next 10 years.

“There is not sufficient funding to support the system we have today, and there is not sufficient funding for the system the public wants and the commonwealth needs,” Patrick said, adding that dozens of meetings across the state showed Bay Staters “want more transportation, not less,” and many parts of the state badly need better transportation access to jobs and economic growth.

Ways to get \$1.02 billion a year in dedicated transportation revenue, the report said, could include raising the income tax from 5.25 percent to 5.66 percent, raise the sales tax from 6.25 percent to 7.75 percent, impose a 2.4 cents per mile travel tax that could be calculated at annual safety inspections or through privacy-protecting transponders, or by raising the gasoline tax from 21 cents per gallon to 51 cents and indexing the rate to inflation.

Patrick said we won't know what option or menu of choices he prefers until his State of the State address on Wednesday, and then in more detail his budget submission later this month. He did, though, appear to rule out the 30-cent gas tax increase.

“It would put us way out of synch from our competitor states in the region, and nationally, for that matter, so that's not on the top of my list,” Patrick said.

The report also identifies other ways for raising the funding, such as a 5 percent toll and transit fare hike every other year through 2023, maintaining Turnpike tolls from Route 128 and Interstate 495 westward to New York beyond their now-planned 2017 expiration, imposing new tolls on Interstates 84, 93 and 95, and higher Registry of Motor Vehicles fees for licenses and registrations.

Kristina Egan, director of Transportation for Massachusetts -- a coalition of 30 pro-transportation-funding groups -- said, "There needs to be everything on the table now, and the legislature needs to explore all options."

But Paul Craney of the Massachusetts Fiscal Alliance said legislators will and should gag on tax hikes.

"It's going to go over like a lead balloon," Craney said. "This is just not popular, especially when every single day you read stories about crazy, wasteful expenditures of money in this state. You need to spend money more wisely. That's the bottom line."

But State Transportation Secretary Richard Davey said the state already has cut \$500 million in spending over the last three years and is moving to eliminate 300 turnpike toll-taker jobs.

"We're not going to just cut our way out of this situation," Davey said. "Reform alone is not enough."

*With videographer John J. Hammann*

See the video here: <http://www.necn.com/01/14/13/Taxes-on-the-table-for-transportation/landing.html?blockID=823379&feedID=11106>