

Gas tax on mileage shatters right to privacy

By Mark J. Perry

FLINT, Mich. — The idea of a vehicle miles traveled (VMT) tax is being discussed – actually and tested in states like Oregon and Iowa.

It would be an alternative to the federal gas tax, which is under review by Congress and could lead to a new system for funding highway construction and repairs when the measure comes up for reauthorization in 2014.

One feature of the VMT tax is that it would require some way to measure travel, creating the possibility that the government will use advanced technology to track movements of every car and truck.

Under one scenario, automobile manufacturers would be required to install a GPS system – a “black box” – in every vehicle to measure miles traveled. The government would then track your vehicle by satellite to follow each vehicle’s total travel and calculate the tax.

A large-scale retrofit of existing cars would be necessary, requiring a massive and costly effort, since every car owner would be required to take their car to a station annually to have a black box installed and then read. Motorists would pick up the tab for the GPS, which would cost more than \$200 each, plus installation.

The alternatives aren’t much better!

Another option would require wireless transponders in vehicles to report odometer readings to a central billing office, allowing the VMT tax to be paid when refueling a vehicle at a service station. But retrofitting thousands of gas stations to support a pay-at-the-pump system would be costly and time-

consuming. And hybrids and electric-powered vehicles wouldn’t pay their share for highway improvements.

A major drawback to a VMT tax, no matter what method is used to track mileage, is that the cost of implementing it would consume a large share of the revenue being collected.

The U.S. Government Accountability Office estimates that installing GPS systems in 230 million U.S. vehicles could cost up to 33 percent of the revenues generated over a 20-year period.

A VMT tax, moreover, would disproportionately shift the burden of federal road maintenance onto suburban and rural car owners who drive much further distances to and from work, school and for shopping than their urban counterparts.

There’s something else: Under the guise of collecting highway revenue, the government could use the VMT system as a mechanism to charge differential rates based on highway congestion levels or a driver’s income.

But it’s the “black box” system in particular that’s untenable: It would force us to surrender our privacy. Each day, more and more of us are required to tell government agencies more and more about ourselves. Do we really want the government collecting data about our driving habits?

Let’s be blunt: the VMT system smacks of “big brother.” Isn’t there already enough government intrusion in our lives?

Right now, the federal gas tax isn’t generating enough money for highway improvements because people are driving less and cars are more fuel

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efficient. Also, the gas tax hasn't been raised in 20 years.

The upshot is that since 2009 revenue from the tax has fallen short of the minimum needed for transportation improvements, and Congress has had to bail it out four times with money from the U.S. General Fund.

As the average fuel economy of new cars improves, the amount of money available to the highway trust fund may decline as much as 13 percent from 2012 to 2022.

What to do?

Shifting to a VMT system serves neither the interests of good government nor the interests of personal privacy.

To fund highway repairs, an increase in the federal gas tax might be a better option. Increasing taxes may not sound appealing. But the condition of our transportation system will worsen unless we make enough money available for improvements.

A VMT is not the answer. A higher gas tax makes more sense.

ABOUT THE WRITER

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