

News Release



CONTACT: Dave Carlson
208-658-4401

7155 W. Denton St.
Boise, ID 83704
208-342-9391
208-342-0085 FAX

For Immediate Release

AAA: GAS TAX BILL IS REALLY A WOLF IN SHEEP'S CLOTHING

Idaho Trucking Association sponsored legislation places most of the tax onus on cars

BOISE – (Feb. 18, 2014) - Legislators and their constituents looking for a transparent, accountable, and fair solution to Idaho's \$262 million annual transportation funding shortfall should take a closer look at the gas tax bill sponsored by the Idaho Trucking Association.

House Bill 481 proposes a six-cent gas tax increase, phased in at two cents a year for the next three years, to eventually raise an additional \$53 million by year three, and thereafter.

But nearly \$37 million of the eventual \$53 million annual amount will come from passenger vehicles, not trucks, AAA says.

"The Idaho Trucking Association pitched this bill as putting its money where its mouth is, but this is a gas tax, paid primarily by motorists," said Dave Carlson, AAA Idaho public affairs director. "It's less a solution, and more of a public relations strategy."

Based on data from ITD and the Idaho Tax Commission, gas taxes comprise 71 percent of state fuel tax revenue. Diesel and special fuels taxes account for 29 percent. The state fuels tax for both gasoline and diesel is currently 25 cents a gallon.

If passed, the eventual contribution from trucks is pegged at just \$16 million of the total \$262 million annual shortfall faced by the state.

AAA Idaho said a primary objective of its **Better Roads, Fair Funding** initiative launched in September is to challenge a huge equity imbalance between what various highway user groups pay.

"Let's have the real discussion about getting everyone to pay a fair share based on the costs they impose on our roads and bridges," Carlson said.

Nearly three-quarters of Idaho voters in a survey conducted for AAA in December said they would support funding solutions that remedy the underpayment by some segments of the trucking industry. AAA says eventual solutions will require fair participation by all users.

AAA is concerned that passage of HB 481 may stall meaningful long-term solutions.

AAA said the most current highway cost allocation study commissioned by ITD—and accepted by the Governor's 2010 transportation funding task force—confirms that on the state system passenger vehicles are overpaying their share of the costs they impose by 26 percent. Meanwhile, long-haul combination trucks underpay their share by 27 percent.

According to the cost allocation study report, one scenario shows that special fuels (diesel) tax would have to be raised to \$1.30 a gallon to achieve a fuel tax equity balance between passenger vehicles and trucks over 26,000 pounds.

"We need a real conversation, putting all the ideas on the table, not a piecemeal approach," Carlson said.

#

AAA Idaho is affiliated with AAA Oregon/Idaho, providing more than 750,000 members with travel, insurance, financial and automotive related services. AAA serves more than 54 million member motorists in North America.

Editor: An audio version of this news release is available on the AAA News Hotline. In Boise, call 342-9391. Outside Boise, call toll free, 1-800-999-9391. Ask for the AAA News Hotline.