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TWO STEPS FORWARD, ONE STEP BACK

Proposed Ballot Question Would Repeal State Gas Tax Adjustments

Tying Tax To Inflation Rates Is The Correct Approach

BY RICK DIMINO

SPECIAL TO BANKER & TRADESMAN

This November, Massachusetts voters will have many important choices before them when they walk into the voting booth, including the election of a new governor. All of the offices and issues on the 2014 ballot are critical. However, the outcome of one ballot question in particular will directly impact the Massachusetts economy and the quality of life for our residents: The question on whether to repeal the new law that allows for the state gas tax to be adjusted based on inflation rates.



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Anyone who has been stuck in traffic on our congested roadways, been left behind as yet another full Green Line train passes the platform, cut off from bus service after 6 p.m. in Lowell, or gotten a flat tire from a pothole this winter understands the importance of adequately investing in our transportation infrastructure. Last year, after a seemingly endless series of reports documenting the state's transportation funding gap of over \$20 billion, we finally took action to address these needs. The state legislature and Gov. Deval Patrick, while disagreeing on the precise mechanism, jointly decided to confront this challenge. The funds raised in the Transportation Finance Act of 2013, an average of \$600 million in additional transportation revenue each year, will be spent across every corner of the commonwealth. They will be used to repair

our roads and bridges, invest in regional transit, ensure the MBTA is reliable and affordable, and make walking and biking safer.

An important provision in the new law pegs the state gas tax to inflation. This is projected to raise more than \$1 billion for transportation over the next decade. The inflation index will also prevent the value of the gas tax from depreciating over time, one reason why Massachusetts hasn't been able to keep its transportation network in good shape.

An initiative petition for this fall's ballot would repeal this provision. Massachusetts voters will have to make a decision about whether to keep this part of the new law on the books. As voters begin to think about this ballot question, there are some considerations that should be kept in mind.

'Taxation Without Representation'

Contrary to what the proponents of this initiative petition have claimed, gas tax revenues are obligated for transportation by the Massachusetts Constitution. We should all be concerned about government waste, but the simple facts are that no funds from the gas tax can be spent on EBT cards, office renovations, or any of the other ridiculous stories that the proponents of repeal have concocted.

Moreover, the inflation index does not even come close to "Taxation Without Representation," a slogan used frequently by repeal proponents. If our leaders were able to raise taxes automatically without accountability, this would indeed be cause for enormous concern. However, this new law was passed by duly elected representatives of the public, who are held accountable for the entirety of their voting record every two years. More-

over, the provision can be repealed legislatively at any time. Our elected officials took note of a significant public need and took steps to address it. Far from "Taxation Without Representation," this is exactly how representative democracy should work.

The consequences of repeal are real and they are significant. Losing this money for transportation means that we won't have adequate resources for critical investments that will grow jobs and the economy. For instance, if the legislature had not acted last year, ABC's report on "The Cost of Doing Nothing" indicated that Massachusetts could have lost as many as 15,000 jobs and as much as \$11 billion in increased costs due to our deteriorating transportation network.

Repeal is not a free lunch; 42 percent of Massachusetts' major roads are in either poor or mediocre condition and more than 50 percent of our bridges are either structurally deficient or functionally obsolete. Repeal means higher vehicle repair costs for drivers and longer commutes to and from work.

The outcome of this ballot question will impact the day to day quality of life for virtually everyone in the commonwealth. The gas tax may not be everyone's favorite thing or even the ideal way that some would want to pay for transportation. But the vote to keep last year's progress in place should be an easy choice. I urge readers to vote "No" on the question of repealing the gas tax's inflation adjustment. Massachusetts can do better. ■

Rick Dimino is the president and CEO of A Better City. He is also a member of Boston Mayor Marty Walsh's transition team.

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