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Please contact:

Cascade Policy Institute
4850 SW Scholls Ferry Rd.
Suite 103
Portland, Oregon 97225

Phone: (503) 242-0900
Fax: (503) 242-3822

www.cascadepolicy.org
info@cascadepolicy.org

4850 SW Scholls Ferry Road
Suite 103
Portland, Oregon 97225

t: 503.242.0900
f: 503.242.3822
info@cascadepolicy.org
www.cascadepolicy.org

QuickPoint! – Overtaxed and Underbuilt

By John A. Charles, Jr.

An Oregon Legislative committee is [proposing a massive series of tax increases](#) to pay for various transportation projects.

The proposal calls for higher taxes on vehicle registration, increased gas taxes, a new sales tax on motor vehicle purchases, a statewide employee tax to subsidize transit, and a new bicycle sales tax.

While there are many bad ideas on this list, perhaps the most offensive is the sales tax on vehicle purchases. It is being crafted so that most of the money would be diverted from highway maintenance into something called the “congestion relief and carbon reduction fund.”

Anything that includes “carbon reduction” in the title is guaranteed to be a boondoggle.

Before this proposal goes any further, legislators should consider a bill simply focusing on improving the road system. We all benefit from better roads.

In addition, they should try to charge people based on actual road use, not the mere ownership of vehicles. The gas tax is a good surrogate for this, so it would make sense to increase the gas tax rate while lowering vehicle registration fees. This would be fair to motorists, while still raising the funds needed for road improvements.

John A. Charles, Jr. is President and CEO of Cascade Policy Institute, Oregon's free market public policy research organization.