



BUILD INDIANA COUNCIL

Infrastructure Media Summary

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Questions on tolls

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Just a month away from adjournment, the Indiana General Assembly is miles away from approving the long-term infrastructure bill legislative leaders have promised. But House Bill 1002's approval by the Senate Tax and Fiscal Policy Committee on Tuesday moves Hoosiers closer to much-needed repairs for the state's roads, highways and bridges. The challenge is in working out the details. The House-passed version of the bill would raise \$300 million by shifting all sales tax revenue from gasoline purchases to roads, instead of diverting money for the Indiana State Police, Bureau of Motor Vehicles and other uses. To make up the lost revenue, the House version included a \$1 per-pack increase in the cigarette tax. The Senate panel didn't go along with that tax hike, but it did support raising the gasoline tax – separate from the sales tax – by a total of 10 cents a gallon over two years, to raise \$672 million in the second year. Hoosiers would pay a total gas tax of 28 cents a gallon and a diesel tax of 22 cents per gallon by 2018. The amended version also includes a new \$5 fee on tire sales. The Senate plan falls short of the estimated \$1.2 billion needed to meet the state's infrastructure needs, but budget leaders said the shortfall could be bridged with revenue from tolls. Language in the amended bill allows the Indiana Department of Transportation to request approval from the federal government for tolling on interstate highways. "It may not be the solution for today, but for the long term, I don't think you're going to realistically be able to deal with this problem without taking that path," said Sen. Luke Kenley, R-Noblesville. But he also said the state would not toll Interstate 465, the beltway around Indianapolis. That leaves central Indiana commuters off the hook, but not motorists elsewhere. Sen. Brandt Hershman, R-Buck Creek, said tolls on I-69 or I-70 have been discussed. <http://www.journalgazette.net/opinion/Questions-on-tolls-18493052>

Tolls possible on some Indiana interstates

Indianapolis Star
Kaitlin L. Lange
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An Indiana Senate committee Tuesday pushed through plans to raise the gas tax by 10 cents and open Indiana interstate highways to tolling. However, the plan to raise \$672 million for road funding in the second year of the tax hike deviates from the House proposal. The committee amended the bill to phase in the 10-cent gas tax increase over two years instead of imposing it all at once. It also called for a 16-cent increase in taxes on diesel fuel used by commercial vehicles, instead of a 20-cent increase. Under the Senate proposal, Hoosiers would end up paying a total gas tax of 28 cents a gallon and a diesel tax of 22 cents per gallon by 2018. The measure also would remove the sales tax on diesel fuel. But the money-generating plan likely to garner the most raised eyebrows from Hoosier motorists would give the governor's office the option to

impose tolls on interstate highways. Senate and House leaders have said they need an estimated \$1.2 billion a year to maintain and build Indiana's roads, and the other taxes and fees they want to impose would not generate that level of revenue. Tolling could fill the gap. So the Senate left in language in the bill that allows the Indiana Department of Transportation to seek approval from the federal government to place tolls on any interstate highway. That likely would mean a maximum toll of five cents per mile on passenger traffic and 15 cents a mile on commercial vehicles, said Senate Tax and Fiscal Policy chairman Brandt Hershman, R-Buck Creek, "It may not be the solution for today, but for the long term, I don't think you're going to realistically be able to deal with this problem without taking that path," said Sen. Luke Kenley, R-Noblesville, who has championed tolling over other diminishing sources of revenue such as gasoline taxes. The amended bill doesn't specify which roads would be targeted for tolls or if the tolls would only apply to new construction. Sen. Mike Delph, R-Carmel, said the measure would essentially give the governor a "blank check" and he could hypothetically choose to put tolls on I-70, I-65 and I-465. <http://www.indystar.com/story/news/politics/2017/03/28/senate-committee-votes-phase-indiana-gas-tax-increase/99704820/>

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