



# **BUILD INDIANA COUNCIL**

## **Infrastructure Media Summary**

### **September 2, 2014**

#### **Understanding the gas tax**

KPC News  
Dennis Kruse  
9/1/14

Over the past decade, gas prices have increased significantly and we have all felt the pain at the pump. One part of the equation is the federal and state gas taxes. I would like to explain the history of the gas tax and how those funds are used. The federal gasoline tax was first passed as part of the Revenue Act of 1932, which was an emergency piece of legislation intended to balance the federal budget during the Great Depression. The various taxes created by the legislation were used to pay down the federal deficit. When the gas tax was first implemented, it was 1 cent per gallon. Until 1956, the tax was not used for road and infrastructure funding. In 1956, however, President Dwight D. Eisenhower signed legislation that created the Highway Trust Fund, which dedicated gas tax revenue to the construction of the interstate system and other road projects. Since the Highway Trust Fund was established, the gas tax rate has been changed eight times – six increases and two decreases. The rate currently stands at 18.4 cents per gallon, unchanged since 1997. Currently, the Highway Trust Fund is in trouble due to a variety of factors. With rising gas prices, Americans are finding alternative means of transportation like carpooling and public transit. Americans are also purchasing more fuel-efficient vehicles. All the while, road construction costs have continued to increase. So how does the gasoline tax work in Indiana? Indiana's gas tax is 18 cents per gallon. This means that on average, Indiana drivers each pay \$110 in federal gas taxes and \$108 in state gas taxes every year.

[Understanding the gas tax - KPCNews: Latest From The Garrett Clipper](#)

#### **Time to use all Indiana fuel taxes for roads**

Rushville Republican  
Therese Brown  
9/1/14

Recent media reports about the difficulties facing state and local officials in adequately maintaining Indiana's system of roads and bridges have hit the mark. Tough choices must be made to reverse the trend of decreasing revenues in the face of increasing costs. The facts are clear. Revenues received by counties from the state's fuel taxes have declined to levels not seen since 2000 while costs have continued to climb. Revenue options available to counties and other local units are in some cases already fully utilized and in other cases limited in their impact. While the state has been able to fund a healthy construction and maintenance program, financed through the leases of the toll road, local governments have not seen similar cash infusions. Fuel tax revenues are down because, due to higher fuel prices and more fuel efficient vehicles, consumption is down. Local excise taxes are collected in 46 out of 92 counties and are based on

vehicle registrations, which have also declined as auto purchases have slowed. Counties could also use some income tax dollars but those have similarly declined with the recession and are under increased demands for other parts of the budget. Here are the sobering statistics for my area of the state. In Allen County and the surrounding nine counties, 40 major projects controlled by the state and local agencies are needed by 2025 for commercial development and traffic mitigation. Eight are funded. When it comes to regular maintenance the situation is even worse. Roads that should see major repair every 8-10 years will, under current revenue, only see repair every 16-30 years. This situation is not unique and is worse in other areas of the state.

[http://www.rushvillerepublican.com/opinion/letters\\_to\\_the\\_editor/article\\_5ba8095e-196c-5784-95dc-c9b3e1b8db3d.html?mode=jqm](http://www.rushvillerepublican.com/opinion/letters_to_the_editor/article_5ba8095e-196c-5784-95dc-c9b3e1b8db3d.html?mode=jqm)

### **South St. plan still alive, bids due Dec. 2015**

Banner Graphic

Eric Bernsee

8/29/14

You've got to walk before you can crawl, so it's baby steps first for the long-proposed South Street improvement project. During the August meeting of the Greencastle Redevelopment Commission, the board approved a right-of-way services contract with Lochmueller and Associates, marking one of the initial but necessary steps toward ultimately improving and extending narrow South Street on the city's South Side from Zinc Mill Road on the east to U.S. 231 South (Bloomington Street) on the west. It is also the first real sign of life in a couple of years for a project destined to help alleviate congestion along U.S. 231 in and around the Veterans Memorial Highway intersection, while creating better access to and from the city's East Side by connecting U.S. 231 with the high school, Ivy Tech and the prime industrial and commercial sides of Greencastle. "Thank you for the opportunity to move forward," Lochmueller's Patty Yount of North Vernon told the commission. "We all know this project has been around a while." The project's roots can actually be traced back to 2007 when a former city engineer offered preliminary renderings of how an extended South Street might look carried westerly over to U.S. 231. Then in 2009, the city received a grant award and signed a contract for preliminary engineering. Bids were expected to be let in 2013. But alas, the project got caught in an Indiana Department of Transportation (INDOT) belt-tightening decree. "In 2013, INDOT pulled the plug on the project," Mayor Sue Murray told the Banner Graphic, "saying they were overexposed."

[Greencastle Banner-Graphic: Local News: South St. plan still alive, bids due Dec. 2015 \(08/29/14\)](#)

### **U.S. 31 upgrade around South Bend is a big step, but more needs to be done, road advocates say**

The Elkhart Truth

Tim Vandenack

August 29, 2014

There's smooth sailing on U.S. 31 between South Bend and Plymouth with the completion of the upgrade along the roadway. Gov. Mike Pence and other leaders gathered this week to publicly unveil the new-and-improved section. Still, proponents of improving the roadway all the way to Indianapolis emphasize that the work is far from done. Upgrades to another segment around Kokomo were completed last November and improvements to a third U.S. 31 section in Hamilton County north of Indianapolis are to be finished next year. But that leaves 70 miles of roadway in between untouched and in need of improvement, says John Letherman, president of the U.S. 31 Coalition and head of the Elkhart County Council. Even with completion of the South Bend-Plymouth, Kokomo and Hamilton County segments — 46 miles of roadway — "we will still have 256 driveways, 105 intersections, seven stop lights and two rail crossings to deal with," Letherman said in a press release. The three new segments will eliminate 31 stop lights, 123

intersections, 668 driveways and two rail crossings along U.S. 31. That's a notable start, but the long-term goal of the U.S. 31 Coalition is to convert the highway to a freeway-grade arterial all the way to the state capital, without any impediments. U.S. 31 is the principal road link to Indianapolis from Elkhart and north central Indiana.

[U.S. 31 upgrade around South Bend is a big step, but more needs to be done, road advocates say - Elkhart Truth](#)

#### **Ind. 1 in Randolph still closed for work**

The Star Press

Robin Gibson

8/28/14

MODOC – A stretch of Ind. 1 between Modoc and Farmland was closed to traffic abruptly in early April, and it has yet to reopen. The 6.25-mile length of highway between Ind. 32 and U.S. 36 was already slated for much-needed repairs when Indiana Department of Transportation officials decided to close it early, for fear that heavy rains might make the rough, buckled pavement even worse. Work on the \$3,025,843 project to rebuild the road began in June, along the highway between Cabin Creek Bridge south of Farmland south to U.S. 36 at Modoc. As of this week, work was progressing. "It's our hope — very strong hope — to have it open by winter," INDOT spokesman Harry Maginity said Thursday. The rebuilding project is so extensive — including "rubblizing" the old roadbed as far down as 14-16 inches and mixing the rubble with cement to make a sturdy base — that it takes a long time to do, Maginity said. The rubblizing process is about halfway done so far, Maginity said; once the base is done, installing the upper layers of pavement should go faster. "That road was so shot," Maginity said in a phone interview Thursday. "This was a big job." The official detour during the closure sends drivers through Winchester along U.S. 36, U.S. 27 and Ind. 32.

<http://www.thestarpress.com/story/news/local/2014/08/28/ind-still-closed-roadwork/14754637/>

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