



BUILD INDIANA COUNCIL

Infrastructure Media Summary

December 29, 2016

It's time to raise Indiana's cigarette tax

The Tribune
12/28/16

Hoosiers hate taxes, but it's hard to find a Hoosier leader who opposes the idea of doubling our tax on cigarettes. Now, Indiana can point to two good reasons to raise the tax. Not only would a higher tax discourage smoking, it could help pay for better roads. Support for a higher tax on cigarettes has come surprisingly from the anti-tax Indiana Farm Bureau and Indiana Chamber of Commerce, as well as predictably from medical experts. The chamber made the case for raising the cigarette tax last month, when it released its priorities for the 2017 session of the state Legislature. Indiana ranks 44th in the nation for its percentage of smokers — in other words, the seventh-worst state — the chamber pointed out. Sources report Indiana's smoking rate at just under 25 percent. It's not just a coincidence that we rank as only the 36th-highest cigarette tax with 99.5 cents per pack. From the chamber's viewpoint, a high rate of smokers rate is bad for Indiana employers, who it represents. "These workers are less healthy, have higher insurance premiums and miss more days on the job — and some are not able to work at all," said Indiana Chamber President and CEO Kevin Brinegar. He added that for every 99.5 cents tax Indiana collects on a pack of cigarettes, Indiana's Medicaid system spends nearly \$16 on health-care costs for smokers. Last winter, when the Legislature was considering a boost in the cigarette tax to \$2 per pack, four former state health commissioners endorsed the idea.

http://www.tribtown.com/2016/12/28/its_time_to_raise_indianas_cigarette_tax/

Letter: Lawmakers should listen; increase gas tax and other options needed to support roads, runways and railways

Dubois County Free Press
12/27/16

Roadways, runways, rail lines and river-ways are the lifeblood of logistics. A world-class infrastructure is vital to the movement of products and the future economic prosperity of Indiana. By 2035, freight is projected to double according to the United States Department of Transportation. Indiana's current transportation network cannot support that volume without significant investment by the General Assembly and the Governor-elect. As a trucking company, we haul products over roads and bridges that allow Indiana agriculture producers and manufacturers to get their products to market. In order to accomplish this, we must do so in the most cost-effective, efficient, and innovative ways. The capacity and conditions of Indiana's roads and bridges are vital to our company and our mission. According to Conexus Indiana, the state of Indiana needs approximately \$1.4 billion in additional state revenue per year for 20 years in order to address all of the infrastructure network improvements needed by 2035. Currently, Indiana spends approximately \$900 million per year of state money on road maintenance (at a fair level) and new capacity road projects. We understand the challenges associated with

generating this amount of additional revenue. However, it is imperative that the General Assembly enact a long-term funding solution that will allow Indiana to remain competitive for decades to come. As a business in a rural community, we depend upon a system of airports, across to the country, to move customers into and out of Dubois County through the Huntingburg Regional Airport. This asset is a mode of transportation that enables us to compete in a global economy. <http://www.duboiscountypress.com/letter-lawmakers-listen-increase-gas-tax-options-needed-support-roads-runways-railways/>

Road to success

The Journal Gazette
12/22/16

If the General Assembly accomplishes just two tasks in its coming session, lawmakers can return home satisfied they've served Hoosiers well: 1. Approve a responsible two-year budget, including adequate funding for public schools. 2. Adopt a long-term funding plan to support Indiana's critical infrastructure needs. Sound simple? The legislature's budget responsibilities are outlined in the state constitution and will undoubtedly be met by the April 29 adjournment deadline. But a highway funding plan won't be accomplished without approving tax hikes in some form – a vote that will require courage. The more worrisome option for all of us, however, would be for lawmakers to ignore the problem. Indiana needs an additional \$900 million to \$1.2 billion a year to maintain state and local roads and to pay for new infrastructure, according to a task force that has been meeting since July. Sen. Luke Kenley, who has taken the lead on developing a proposal, is co-chairman. "We know that the revenue sources we are using right now are not keeping up with our current and future transportation infrastructure needs," Kenley said. "(The task force) has identified plenty of options that will be on the table as we move into the upcoming budget session." The recommendations are sound. Each was examined at length by the Funding Indiana's Roads For A Stronger Safer Tomorrow (FIRSST) Task Force and would primarily place costs on direct users. The first is to "immediately increase the gasoline tax to recover some or all of the purchasing power lost since the tax was last increased in 2003."

<http://www.journalgazette.net/opinion/editorials/Road-to-success-16927655>

Task Force Endorses Tax Hikes To Fund State's Roads And Bridges

WBIW
12/20/16

(INDIANAPOLIS) - At the beginning of the new year, the General Assembly will begin considering whether to approve a variety of vehicle-related tax hikes to fund Indiana's roads and bridges over the next 20 years. On Monday, the Funding Indiana's Roads for a Stronger Safer Tomorrow, or, FIRSST, Task Force voted 10-1 to recommend to lawmakers 12 revenue increasing options aimed at raising the estimated \$1 billion in new money needed annually to maintain and improve the state's transportation infrastructure. The suggestions include boosting the state's gasoline tax by 8 to 10 cents per gallon to restore buying power lost to inflation, since it last was increased in 2003, and automatically adjusting the tax to keep up with ongoing changes in the value of money. Taxes on truck fuels, including diesel, biodiesel and natural gas, also should be adjusted for inflation since their last increases in 1988 and indexed in the future, the task force said. It also recommended charging extra fees on electric and other vehicles that use little to no gasoline, increasing the state's annual vehicle registration charge, hiking the tire disposal fee, eventually dedicating all revenue from the 7 percent sales tax on gasoline to roads and improving the collection of overweight truck penalties. In addition, the task force urged the Legislature to work with the federal government to authorize tolling on state highways and interstates to pay for added capacity and rehabilitation of existing lanes and bridges.

<http://www.wbiw.com/state/archive/2016/12/task-force-endorses-tax-hikes-to-fund-states-roads-and-bridges.php>

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