

Testimony on HB 2342
April 20, 2021
From: Douglas R. Allen, Portland

Co-chairs Beyer and McLain, members of the Joint Committee on Transportation:

I oppose HB 2342 as written, because it goes in completely the wrong direction on climate change. Any "road user charge" must be additional to taxes on fossil fuels, not a replacement for those taxes. Those who use more fossil fuels should pay more taxes. Electric, hybrid, and otherwise efficient vehicles use less fossil fuel, so it makes no sense for them to pay a penalty for that efficiency.

At the same time, if we are adding fees, we should consider whether we should make them more progressive with regard to ability to pay. There are plausible arguments for various approaches to this issue. We already have a fuel tax, payable at the pump. Everyone should pay this tax up front. If we want to charge a lower rate to people with lower incomes, do it with a tax credit. We could also provide better transit service for everyone, which is a good way to help people with low incomes save money by giving them an acceptable alternative to expensive automobile use.

Fossil fuel use must be taxed at a sufficient level to promote alternatives, and people of all income levels should not be taxed more on the basis that they are using less fossil fuel.

As for registration fees, these should pay for fixed costs imposed by vehicle ownership. Some retired person who drives three miles a week in an old gas-guzzler should not pay a lot more registration fees than someone who drives a more efficient vehicle 50 miles per week. The fuel tax is where inefficiency should be taxed, because that provides the best incentive to reduce fossil fuel use. And the road user charge, and parking fees, are where road use should be charged, rather than in a registration fee.

The proposed amendments may improve this proposal, but the basic flaws remain: 1) We already have a tax on fossil fuel usage, and any road user charge should be additional to that, and 2) Increased registration fees are a poor way to charge for road usage.