



With MoDOT's Tank Nearly Empty, a Fuel-Tax Increase Might Be the Answer

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If you are younger than 36 years old, then Missouri hasn't raised its gas tax since you started driving. But that might need to change. The Missouri Department of Transportation (MoDOT) is arguably [underfunded](#) for the job it is being asked to perform. Enter the legislature, where gas tax increases may be gaining momentum as a solution to this problem.

Missouri State Representative Greg Razer, speaking about raising the gas tax, [said](#) last week, "That is absolutely, in my view, the way we have to go in the short term. . . . We have to take care of it (transportation). We have lots of state assets that we have neglected over the last 15–20 years, and it's time that we as a state start living up to our responsibility."

The state does have some wiggle room to keep gas taxes low even after an increase. Missouri's fuel taxes—currently 17 cents per gallon for both regular and diesel—are the 4th and 5th lowest of all 50 states, respectively.

A [policy study](#) conducted by the Show-Me Institute's Joe Miller in 2016 listed the following advantages to raising the gas tax:

1. It would raise revenue that is constitutionally appropriated towards roads.
2. It would have a low implementation cost.

3. The money raised would benefit the entire state highway system, along with local road and bridge projects.
4. It could be enacted without amendments to Missouri's constitution.

But this is not a perfect solution, as the same policy study found the following disadvantages to a gas tax hike:

1. The revenue base would decline over the long term as cars become more fuel efficient and/or battery powered.
2. Fuel taxes are regressive.
3. The tax an individual pays is proportional to the amount of gasoline that they purchase, not to the number of miles driven on the state highway system.

Ideally, I would like any gas tax increase to be revenue-neutral. While our transportation system may need more money, that doesn't necessarily mean that more money overall should go to government.

Regardless, the sooner we decide how to fund our infrastructure for the next century, the better. In addition to other measures such as [toll roads](#), a gas tax may be an appropriate way to keep Missouri moving.

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Andrew Aubuchon is a policy intern working on corporate welfare topics.

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