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# The Invisible Tax of Inaction



## Missing in the Gas Tax Debate: *The Invisible Tax of Inaction*

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Newly released data shows clearly that households in 49 of the 50 states actually pay significantly more each year in vehicle operating and repair costs due to poor road and bridge conditions than they would if Congress increased the gas tax by 25 cents and the money was dedicated to rebuilding the nation's deteriorating transportation infrastructure.

In fact, operating and repair costs averaged across all 50 states are 226% more, or, on average, \$985.37 more per household than would be the cost of a 25-cent gas tax increase – at \$302.63.

When you add it all up, U.S. motorists are forced to spend \$120 billion each year in extra vehicle repairs and operating costs....an invisible, but extremely onerous tax burden in and of itself.

The impact on our vehicles is no surprise, given that 44% of America's major roads are in poor or mediocre condition and 9% of its bridges are "structurally deficient," according to federal highway association state-by-state data compiled by TRIP, a non-profit transportation research group based in Washington, D.C.<sup>i</sup>

As big as those numbers are, they don't even factor in the economic impact of congestion caused by poor and mediocre road and bridge conditions – something that more than doubles the cost, adding an additional \$121 billion annually in terms of wasted time and increased fuel costs.

Nor do those numbers factor in the cost of accidents or the fact that "roadway features" are a contributing factor in one-third of all traffic fatalities.

The bottom line is that on average, a 25-cent increase in the gas tax would actually pay a significant dividend – an over 200% return – in terms of being far less taxing on households, vehicles and on road-borne commerce.

Simply put, that's a far, far better investment than putting that money in a savings/money market account (1.5% avg. return)<sup>ii</sup>, a CD account (2.5% avg. return)<sup>iii</sup> or even the stock market itself (7% avg. return)<sup>iv</sup>.

The numbers speak for themselves:

	Cost Per Household of 25 Cent Increase in the Gas Tax	Vehicle Operating Costs per Household from Roads and Bridges in Poor Condition	How much more will inaction cost each household?
Alabama	\$360.77	\$ 326.37	-10%
Alaska	\$281.77	\$ 886.43	+ 215%
Arizona	\$280.65	\$ 978.83	+ 249%
Arkansas	\$320.90	\$ 1,093.14	+ 241%
California	\$285.98	\$ 1,681.86	+ 488%
Colorado	\$273.78	\$ 1,123.15	+ 310%
Connecticut	\$267.83	\$ 1,636.84	+511%
Delaware	\$337.58	\$ 840.64	+ 149%
Florida	\$287.30	\$ 630.12	+119%
Georgia	\$321.31	\$ 375.45	+ 17%
Hawaii	\$246.83	\$ 1,424.43	+ 477%
Idaho	\$314.89	\$ 716.23	+ 127%
Illinois	\$242.69	\$ 997.34	+ 311%
Indiana	\$304.65	\$ 483.87	+ 59%
Iowa	\$336.00	\$ 892.34	+ 166%
Kansas	\$291.51	\$ 908.93	+ 212%
Kentucky	\$316.29	\$ 581.95	+ 84%
Louisiana	\$319.02	\$ 1,131.33	+ 255%
Maine	\$352.19	\$ 851.32	+ 142%
Maryland	\$303.45	\$ 1,057.34	+ 248%
Massachusetts	\$266.29	\$ 1,062.26	+ 299%
Michigan	\$298.87	\$ 994.53	+ 233%
Minnesota	\$300.54	\$ 753.88	+ 151%
Mississippi	\$390.62	\$ 1,275.70	+ 227%
Missouri	\$330.27	\$ 1,072.66	+ 225%
Montana	\$317.76	\$ 722.55	+ 127%
Nebraska	\$291.41	\$ 654.51	+ 125%
Nevada	\$272.29	\$ 780.31	+ 187%
New Hampshire	\$332.56	\$ 749.05	+ 125%
New Jersey	\$317.19	\$ 1,290.39	+ 307%
New Mexico	\$302.45	\$ 1,143.10	+ 278%
New York	\$186.40	\$ 918.58	+ 393%

	Cost Per Household of 25 Cent Increase in the Gas Tax	Vehicle Operating Costs per Household from Roads and Bridges in Poor Condition	How much more will it cost each household?
North Carolina	\$297.86	\$ 771.86	+ 159%
North Dakota	\$347.42	\$ 713.83	+ 105%
Ohio	\$267.70	\$ 818.73	+ 206%
Oklahoma	\$324.14	\$ 1,288.36	+ 297%
Oregon	\$247.17	\$ 516.95	+ 109%
Pennsylvania	\$240.43	\$ 1,091.51	+ 354%
Rhode Island	\$219.53	\$ 1,471.11	+ 570%
South Carolina	\$377.49	\$ 1,005.06	+ 166%
South Dakota	\$351.45	\$ 1,038.76	+ 196%
Tennessee	\$329.31	\$ 497.33	+ 51%
Texas	\$372.13	\$ 864.25	+ 132%
Utah	\$316.68	\$ 598.64	+ 89%
Vermont	\$293.47	\$ 994.21	+ 239%
Virginia	\$318.92	\$ 1,047.94	+ 229%
Washington	\$250.00	\$ 1,342.89	+ 437%
West Virginia	\$270.24	\$ 813.04	+ 201%
Wisconsin	\$275.15	\$ 1,156.42	+ 320%
Wyoming	\$380.29	\$ 634.74	+ 67%
<b>United States<sup>v</sup></b>	<b>\$302.63</b>	<b>\$ 985.37</b>	<b>+226%</b>

The invisible tax we pay in terms of wear and tear on our cars alone is far more expensive than the 25 cents that could put those roads and bridges back into good repair, to say nothing of easing our commute, improving our productivity, reducing gas-wasting congestion, potentially saving lives – and overall, reducing the taxing cost of driving today.

The invisible tax of inaction is taking its toll on our nation’s roads and bridges. The time has come to take decisive action and reduce the burden.

**References:**

<sup>i</sup> TRIP data is compiled from the U.S. Census, the U.S. Department of Transportation, the Federal Highway Administration, the Bureau of Transportation Statistics, the National Highway Traffic Safety Administration, the Congressional Budget Office, AASHTO and the Texas Transportation Institute. Information is the latest available.

<sup>ii</sup> Bankrate.com, February 2018

<sup>iii</sup> Bankrate.com, February 2018

<sup>iv</sup> Investopedia.com, Average rate of return from 1928 through today adjusted for inflation.

<sup>v</sup> Average data for the United States excludes the District of Columbia.