



For Immediate Release
JULY 9, 2007

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Transportation Coalition Calls for Support of Use Tax Increase *Modest increase could generate more than \$400 million*

Raleigh, N.C. – Before the session concludes, legislators need to take action and address escalating transportation needs, according to transportation advocacy organization NC Go! It is projected that only a few weeks of unfinished business remain, and so far little attention had been given to our roads, bridges and other multimodal forms of transportation.

“The highway use tax is one of our primary sources of transportation revenue,” said Beau Mills, NC Go! Chair. “But as with other sources of revenue, receipts from the use tax have not kept pace with increased vehicle travel, wear on the roads or costs for repairs and improvement. That is why we are asking the legislature to increase the highway use tax by 2 percent.”

Each 1 percent increase in the highway use tax is estimated to provide about \$220 million in transportation funding. NC Go! is asking for a 2 percent increase for a net of about \$440 million. The additional revenue would finance bonds that could relieve urban congestion and help get long-delayed projects back on track.

“North Carolina’s transportation system is at a critical point,” said Mills. “We have more drivers and each of us is driving more miles – that means more wear and tear on roads. Also, as fuel efficiency increases, the gas tax we pay has to cover more miles of highway.”

The N.C. Department of Transportation recently released data showing inflation for highway construction increased by 74 percent since 2002. “Our transportation dollars are buying much less,” said Mills. “At the very time when we should be investing more, we aren’t because we don’t have the money.”

NC Go! has advocated for a 2 percent increase in the Highway Use Tax for several years as part of a broader plan to elevate transportation funding. Surrounding states have higher highway use taxes than North Carolina, yet our state maintains more miles of highway with its revenue. On an average vehicle worth \$20,000, the increase would be about 13 additional dollars per month.

“We believe if citizens want safe, quality highways, each of us will have to contribute more to the system,” said Mills. “Traffic congestion and crumbling roads are not the recipe for economic success or good quality of life.”

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