My View: Diesel tax on heavy trucks is right move

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1 Comment

Portland is the transportation hub of the Pacific Northwest. Although many people do not make the connection, one of the reasons why our city is no longer called “The Clearing” is that we are the nexus of two interstates, two major rivers, and two major railroads. Multnomah County also is the home for 106,000 heavy trucks — approximately one for every five automobiles.

Last year’s street fee was criticized for many reasons — among them a lack of equity. The city’s freight fleet was largely exempted from the tax, whose greatest impact was on homeowners and small businesses.

Part of the problem is that Oregon has two taxation approaches to motor vehicles. Cars and light trucks pay at the pump. Heavy trucks, railroads and off-road equipment pay on a completely different basis, with calculations that involve mileage driven and the weight of loads carried. Thus a gas tax generally turns out to be only a tax on cars and light vehicles.

After successfully opposing the street fee last year, I was surprised when Commissioner Steve Novick asked me to serve on a committee designed to address the inequity. For the past few months I have had the opportunity to work with members of Portland’s Freight Committee as a representative of Southeast Uplift.

This is no easy matter. Portland (and Oregon) has little data on transportation issues. We do not know where the trucks drive or where they purchase their fuel. We know almost nothing about fuel use for other transportation companies — yet another issue to raise with the Oregon Department of Environmental Quality in days to come.

The solution we came up with was to prorate the state-level tax on heavy trucks — based on data from state taxation authorities — but to send tax statements only to those companies that do business in Portland, based on their filings for the city’s business license tax.

So where does this put us compared to 1970? Over the past 50 years, the real tax per gallon — both gasoline and diesel — has declined by one-third. Total road mileage in use is harder to find, but we do know that it has increased by 20 percent since the 1990s.

So where does this put us? If the roads were in comparable condition to those in the 1970s, we would be very proud. Maintaining far more roads with far less funding would be remarkable. Of course, the situation is nowhere near as rosy. We are literally hundreds of millions of dollars behind in everyday maintenance. Each year that roads continue decaying raises the bill dramatically, since pavement failure requires a costly investment in replacement, while repair is a bargain by comparison.

The bottom line is that not addressing the problem is more expensive than addressing it in a professional manner. The proposed diesel tax is a tiny step in the right direction and one we should support as both equitable — trucks paying a share to repair the roads they use — and necessary — repairing as much now so as to not be forced to rebuild later.

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