

[Home](#) » [News](#) » [Opinion](#)

Opinion

You know those roads? They're heavily subsidized

By DAVID R. RIEMER

Posted: April 3, 2010 | [\(20\) Comments](#)

There are many silly myths about taxes.

The silliest is that taxpayers don't subsidize roads, so why should they subsidize railroads?

In Wisconsin, however, the facts make clear that taxpayers - primarily homeowners and businesses that pay property taxes - are required to shell out \$1.5 billion each year to pay for the streets and highways we drive on.

According to Wisconsin Department of Transportation data for 2008, about 40% of driving ("vehicle miles of travel" or VMT) in Wisconsin takes place on local roads such as town, village and city roads, as well as county trunk highways. The remaining 60% of driving occurs on state roads, such as state trunk highways (STHs) and the interstate system.

Not surprisingly, both local roads and state roads cost a lot to build, maintain, plow, sweep, light and police. The best data on road costs that I could find, for 2007, comes from the independent, nonpartisan Wisconsin Legislative Fiscal Bureau.

According to the Legislative Fiscal Bureau, local roads accounted for \$1.9 billion in cost, about 53% of the entire road system's cost, whereas state road costs were \$1.7 billion, or roughly 47% of the road system. The entire road system cost was \$3.6 billion.

To reach these conclusions, I assumed that 80% of the state's debt service, State Patrol and general administration expenditures were attributable to state roads, as opposed to other Wisconsin DOT programs. If the percent is lower or higher than 80%, however, it doesn't alter the big picture very much.

So who pays for Wisconsin's \$3.6 billion road system?

The Legislative Fiscal Bureau analysis confirms that the property tax (or, in the case of communities that receive shared revenue from the state, a mixture of property tax, income tax, and sales tax revenue) pays for over 40% of the entire road system.

In other words, property taxes - with income taxes and sales taxes mixed in - account for nearly \$1.5 billion of the total \$3.6 billion cost of Wisconsin's roads.

So-called user fees - which are mostly another tax, the gas tax, combined with various license fees - pick up

less than 60% of the cost of our road system as a whole.

In short: It is pure myth that the drivers of cars and trucks pay for the full cost - or anything close to the full cost - of the roads they use.

We, the general tax-paying public - including all those who don't drive at all and those who only drive a little - provide a massive subsidy to road users.

Now, it can be argued that roads are a necessity and that forcing taxpayers to shell out \$1.5 billion in property, income and sales taxes to "bail out" the cost of roads, so they'll be artificially cheaper for drivers of cars and trucks, is a good thing.

But water, sewer, electricity, gas and telephones are also necessities. For the most part, however, we don't sock it to the taxpayers to subsidize the users of these equally essential services. Rather, the users of those services pay, more-or-less, for 100% of the cost.

Now, I'm not arguing here that we should cut property, income and sales taxes by \$1.5 billion and increase so-called user fees like the gas tax and license fees so that they truly cover 100% of the cost of our road system.

For now, for better or worse, we're going to rely on massive property taxes (with income and sales tax dollars thrown in) to pay for over 40% of Wisconsin's \$3.6 billion road system, with so-called user fees picking up less than 60% of our roads.

But if it's acceptable to compel the owners of property, workers and businesses in Wisconsin to shell out \$1.5 billion in property, income and sales taxes to subsidize our network of roads, why is it somehow an outrage for taxpayers to also support a portion of the cost of railroad construction and maintenance?

I don't understand those who flip-flop on the use of property taxes and other general taxes to pay for transportation.

How can any reasonable person admit it's OK to use \$1.5 billion in property taxes, income taxes and sales taxes to finance a 40% bailout of our roads so that users only have to pay 60% of the cost of the very streets and highways they use, but then denounce the use of general tax revenues to pay for even a portion of railroads and insist that this particular type of "road" must be fully paid for by its users?


If we massively subsidize roads made of concrete and asphalt for people who drive cars and trucks, there's nothing wrong with a comparable subsidy for roads made of steel rails for people who ride trains.

Any other position is truly a flip-flop.

David R. Riemer is director of the Community Advocates Public Policy Institute at Community Advocates Inc.

Find this article at:

<http://www.jsonline.com/news/opinion/89803737.html>

 **Click to Print**

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Check the box to include the list of links referenced in the article.

