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Thinking long term

Trying to tax Big Oil won't work. A better bet to provide needed funding for roads is a small hike in the gas tax - for now - and then rethinking road financing entirely.

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We agree with Gov. Jim Doyle that those who use Wisconsin's roads - or whose customers use Wisconsin's roads - should pay for the maintenance and construction of roads. But there's a better way to do this than a new tax aimed at big oil companies.

That better way is being proposed by a coalition of independent gas stations, convenience stores and fuel supply organizations. They argue that a three-cent hike on a gallon of gas, and some additional revenue from other sources, is a simpler, more stable source of revenue than the governor's proposal.

We mostly agree. A three-cent hike is cleaner and relatively more stable than the governor's proposal. But the state should also begin rethinking how it funds roads and transit. Taxes on finite resources whose usage likely will decrease in the future have stability problems no matter what form they take.

In the interim, the supposedly segregated transportation fund should be declared off-limits to most of the kinds of raids that have taken place in recent budgets.

The state's roads are critical to the health of the state's economy. This will be true whether the cars and trucks using them are electric, hybrids or straight gas guzzlers.

At the same time, road maintenance and construction provide needed jobs for workers, which is why the federal stimulus package provides funding for just that purpose.

Supporters of the governor's proposal argue that oil companies would be barred from passing on the percentage increase to consumers. We have our doubts both in the state's ability to ensure this and whether such a pass-through ban could survive a court challenge. If it doesn't, this would be a tax on Wisconsin businesses and on Wisconsin drivers anyway.

Moreover, critics argue convincingly that the tax - even if it is held up in the courts - could well result in gasoline shortages in Wisconsin as suppliers move their product to other markets to avoid the tax.

More money is needed for state roads. A three-cent hike on a gallon is the simpler and fairest way to

provide this - *short term*. Long term, there's a larger issue. Businesses and state officials need to begin a discussion on the state's heavy reliance on the gasoline tax.

As drivers move toward more fuel-efficient vehicles and hybrid cars, there will be less revenue from gasoline sales. And roads still will need funding.

It's time to start a healthy discussion on moving away from the gas tax to another mechanism - such as vehicle miles traveled or toll roads - to provide that funding.

Should the state tax oil companies or hike gas taxes per gallon to pay for roads? To be considered for publication as a letter to the editor, e-mail your opinion to the Journal Sentinel editorial department.

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