



Road tolls over gas tax increases

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(Ernest Doroszuk/Postmedia Network file photo)

The Residential and Civil Construction Alliance of Ontario released a report last week calling on government to increase gas taxes and create new road tolls to pay for transit infrastructure.

The recommendations, from Trent University professor emeritus Harry Kitchen, include indexing the gas tax to the rate of inflation each year.

Kitchen argues this would provide funds for the provincial infrastructure program.

The problem is imposing a new gas tax is totally out of touch with the tough fiscal realities faced by Canadian families.

We already pay too much tax on gasoline and the tax that is collected isn't spent properly.

According to the Canadian Taxpayers Federation, taxes already make up 34% of the pump price of gasoline and 27% of the cost of diesel.

Federal and provincial governments collected \$22.4 billion in fuel taxes in 2014.

What is worse, we pay a tax on a tax when we buy gas. By charging HST on federal and provincial fuel excise taxes, government collects an extra \$1.5 billion in revenue.

That's \$1.82 of tax on tax, on average, every time a Canadian fills up his or her tank.

What we need government to do with existing gas taxes is spend them on public transit, new roads and on maintenance of existing highway infrastructure.

In 2005, the federal government took a step in the right direction by creating the Gas Tax Fund for municipalities. In 2011, the fund was made permanent and this year will distribute \$2 billion in gas taxes to municipalities across Canada. This program should be expanded.

Gas taxes should be seen as a user fee. If government spent the entire \$22.4 billion collected annually in gas taxes on public transit and roads, we would have the best transit infrastructure in the world.

We don't need new taxes – we need to spend the existing taxes we pay on the transit priorities our cities need.

Right now, Canadians aren't told exactly how the gas taxes are divvied up. We need transparency about where the gas taxes are collected and where they are spent.

The federal government collects the lion's share of gas tax while the major needs and priorities of transit infrastructure are at the municipal level.

We need to fix that inequality before anyone considers new taxes.

As far as implementing road tolls are concerned, I'd be open to them if the tolls collected were spent on new or existing roads.

Recently our family vacation took us on a road trip to follow the Toronto Blue Jays to Chicago, Illinois.

Driving there, we stopped twice to pay road tolls in Indiana, in what seemed like less than 20 minutes apart.

Then, literally minutes across the border into Illinois, we stopped again to pay a toll to drive on the same highway.

Both Indiana and Illinois collected tolls from us to pay for their highway and its maintenance.

We wanted to use the highway. We wanted it to be kept in a safe condition to drive. Why shouldn't we have to pay a small fee to make use of it?

We never had to pay a toll once we returned to Ontario and neither would our American cousins if they came to visit us.

We would be better off to collect tolls on our major highways and dedicate those funds to expanded routes and better maintenance, rather than increase gas taxes.

Especially on those highways that service Canada/United States border traffic.