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Tackling Transportation

Sen. Potts wants to raise sales tax to fund roads

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Capital News Service -- Sen. H. Russell Potts Jr., R-Winchester, one of the most outspoken advocates of transportation reform in the Senate, has submitted a plan of his own to tackle the state's traffic problems. The bill calls for a 1-cent sales tax increase and would raise a total of \$2 billion a year for transportation.

"There is no way in the name of God that you can fix transportation paying out of the general fund unless the advocates of that are willing to make massive cuts in education, health care and public safety," Potts said. "You have to identify a consistent long-range revenue stream to address that."

Potts' solution comes in the form of **Senate Bill 686**, which would create the **Transportation Future Fund**. The fund would be used to pay for the construction of numerous surface transportation infrastructure projects.

He said the bill addresses three main areas.

"It addresses tolls," Potts said. "It addresses major involvement by the private sector and a sales team by (the Virginia Department of Transportation) to try to attract the private sector money, and a 1-cent sales tax increase, which would get us to \$2 billion a year."

Potts said the 1-cent sales tax increase is the best solution because it affects the most people and it's the most fair. He believes the retail industry will support the plan because it is in the merchants' best interest.

"Can you name me a category that benefits more from a sales tax increase than retail?" Potts said. "If you can't get to the shopping center to shop, because of every traffic jam you're stuck in, that's costing retail hundreds of dollars that you would be spending except you're mired in traffic. So of all the people that ought to step up and be responsible, it ought to be the retail merchants."

Last week, the House of Delegates killed **Gov. Tim Kaine's** transportation funding plan. Kaine's plan called for increases on the sales tax on automobiles and the tax on auto insurance premiums in order to raise \$4 billion over four years.

So far, the Republican majority in the House has opposed any plan that

includes a tax increase, saying that there is no reason to raise taxes during a time when the state's general fund has a \$1 billion surplus.

Last Friday, House Republicans introduced their plan, which would provide half as much revenue as Kaine's bill but would not raise taxes. Whether the plan will pass the full House remains to be seen.

Another plan on the table has been proposed by Republican **Sens. John H. Chichester** of Fredericksburg and **Charles R. Hawkins** of Chatham. They want to raise the sales tax on gasoline and vehicle registration fees to generate about \$1 billion more per year for transportation.

Potts said it would be dangerous to rely on a consistent surplus in the general fund. That is why he believes other revenue options for transportation are necessary.

Potts is optimistic that the General Assembly will make progress this session on the transportation issue.

"I think we're making tremendous progress, and I predict we're going to have a major initiative passed in the Senate of Virginia, and I don't care whose name's on it," Potts said.

"I'm a team player. There are many roads to Rome. If it's a combination of the governor's plan, the Chichester-Hawkins plan, my plan or none of my plan ... I don't care."

Potts said he will ask Chichester, the chairman of the Senate Finance Committee, to incorporate Potts' plan into the Chichester-Hawkins legislation.

Many legislators have expressed doubts that the General Assembly will be able to come to a consensus on the issue during the 60-day session, which ends March 11. Potts believes an agreement can be reached by March 11, though he says he will stay later if necessary.

"We have to do it," Potts said. "If we don't do it this year, we won't get it done for a decade. Because next year are elections, and the year 2008 is a presidential year. ... It's gotten this way because we've gone 20 years of doing nothing, and if we don't do it this year, it's not going to get done."

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