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As Gas-Tax Profits Decline, More States May Turn to Tolls.

Some states are seeking to fill funding holes and potholes with toll money. But it's an uphill battle.

Tolls have been a fact of life in Indiana for at least 60 years, but state Rep. Edmond Soliday thinks there will have to be more of them if the state wants to keep its roads in good shape.

Soliday, a Republican who chairs his chamber's transportation committee, said the most expensive part of the state's transportation network are the heavily trafficked interstates that are filled with out-of-state trucks. Federal law, however, prevents states from tolling existing interstates without a waiver.

"I say to citizens and my fellow legislators: How much do the citizens of Indiana owe to provide an infrastructure to folks who don't even stop for a Snickers bar?" said Soliday. "It's irresponsible not to take a look at how much of it are Hoosiers willing to pay so that others can use it."

So Soliday introduced an ambitious [road-funding bill](#) earlier this month that would instruct the Indiana Department of Transportation to apply for a federal waiver and to study how tolls could be added.

As traditional sources of transportation revenue, like gas taxes, have declined, tolling has increasingly become a part of everyday life for many Americans.

The miles of managed lanes with tolls on them has [quadrupled](#) since 2010. The number of drivers using toll facilities increased by 7 percent in just a single year, from 2014 to 2015. That growth could continue if lawmakers in places like Connecticut or Wisconsin move ahead this year with long-stalled plans to introduce tolling in their states.

There's been a lot of discussion about whether a federal infrastructure stimulus from the Trump administration could help alleviate states' fiscal pressures on transportation. But Soliday said he isn't depending on help from Washington. Besides, he said, the longer the state waits for help from the federal government, the worse its roads get in the meantime and the more expensive they get to fix.

Tolls may be an expedient source of revenue in the near term, but Soliday's real case is that they'll become even more vital in the years ahead.

Thanks to increasing federal fuel standards, auto manufacturers will soon have to start producing more fuel-efficient vehicles. That could lead to an even bigger drop in gas tax revenue. The firm Cambridge Systematics [predicted](#) that, after accounting for inflation, the \$450 million in revenue that Indiana's gas tax produced in 2015 will bring in only about \$300 million a decade from now.

"We have this huge hole starting in 2021," said Soliday. "The issue is: How do you plug the hole if you can't do it with a reasonable amount of gasoline tax? Tolling is clearly how we're filling that gap starting in the 2021 era in the plan."

But tolling existing interstates, as Soliday proposes, won't be easy.

GOP Gov. Eric Holcomb is reportedly against the idea, and the Senate president has called it a "hard sell." The trucking industry, which opposes most toll increases, will also likely push back.

In addition to upping the number of tolls, Soliday's bill would also increase gas taxes, levy new fees for electric vehicles and hike vehicle registration fees. But raising the state's gas tax would be hard, too.

Indiana voters are unlikely to accept a gas tax increase of more than 10 cents per gallon, said Soliday. Even if they did, a hike that size would only make up for the revenue lost to inflation since Indiana last raised its gasoline tax in 2003 and its diesel tax in 1998.

To improve local roads, Soliday's bill would use the revenue raised from higher registration fees to build on a program created by Indiana lawmakers that set up matching grants for localities that would fund 50 percent of a project's costs up to \$1 million. According to Purdue [researchers](#), 26 percent of city roads, 29 percent of town roads and 40 percent of county roads are in poor condition — and it would take \$773 billion just to keep the road quality the same over the next decade. To make sure no roads were in poor condition, it would cost the state \$1.6 trillion.

The bottom line, said Soliday, is that Indiana can't achieve its goals without tolling or something else that will bring in that kind of revenue.

"If you take anything out of the package, then you've got to put something in, or you've got to lower expectations," he said. "It's a closed system."

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