

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **Here are Three Ways to Pay for New Investments in Infrastructure and End Partisan Gridlock.**

Optimism that America will finally address its massive infrastructure problem is on the rise – and understandably so. The Trump Administration is still attempting to fulfill their infrastructure campaign pledge and Democrats have long supported rebuilding the country's crumbling infrastructure. However, a bipartisan infrastructure overhaul is likely stuck in neutral for the reason we've been in gridlock for decades: how to pay for it.

There are three ways to pay for new infrastructure investment: raise revenue, borrow, or pretend (gimmicks that mask borrowing as being paid for). Infrastructure is generally funded by user fees: the gas tax pays for roads. In the past this has had broad political support. People understand that freeways aren't free and that revenue paid by users for infrastructure are different than generic taxes. Republicans embraced the small 'c' conservative idea that people who used public assets ought to pay for them. Democrats overcame objections regarding the inherently regressive nature of flat consumption taxes and the budgetary policy of segregating infrastructure revenue streams from other general revenue to support this system.

[Continue reading.](#)

### **The Brookings Institute**

by Aaron Klein

Fellow – Economic Studies Policy Director – Center on Regulation and Markets

December 12, 2018

Copyright © 2026 Bond Case Briefs | [bondcasebriefs.com](http://bondcasebriefs.com)