

Taylor details tax hike benefits

Highway funds, rail traffic, more

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CUMBERLAND — Allegany and Garrett County residents should endorse a future penny state sales tax increase when it is proposed because it would bolster the state's transportation trust fund, House Speaker Casper Taylor said Monday.

The speaker wants the sales tax hike to go into effect no sooner than the budget year that starts July 1, 2000. That would happen only after a group of experts spends 10 months to find funding alternatives to revive the trust fund.

The fund pays for state highways and bridges, mass transit, the Port of Baltimore and airport projects. Taylor said there is at least \$1 billion in unmet trust fund need.

Taylor is asking Gov. Parris N. Glendening to avoid a nickel-a-gallon motor fuel tax requested by some down-state lawmakers to start this year. Other Allegany and Garrett county lawmakers oppose a gas tax hike this year, too.

Taylor said the sales tax increase he envisions for the following budget year would generate about \$520 million annually for the state's transportation trust fund.

The added money could pay for three items of interest to Western Maryland taxpayers, he said.

It could provide the state's share of a north-south highway needed in Western Maryland.

Maryland's Department of Transportation is participating in a study about where a north-south route should be built. When an alignment is identified, Mary-

land, Pennsylvania and West Virginia will seek federal construction money. Each state must also provide a local match that Taylor described.

The western counties also would benefit from added development of the Port of Baltimore.

The port is attempting to win the Maersk and Sea-Line contract to become the largest container shipment port in the nation. If that happens, CSX rail traffic will increase substantially and jobs will be added because more rail traffic will be needed to transport the goods to and from the port. Much of that traffic will flow through Cumberland, Taylor said.

The speaker said the state would be asked to use transportation trust fund dollars to help CSX add a third rail to bolster Baltimore-to-Washington passenger traffic. CSX's freight traffic would also increase.

"It would add 35 percent to the freight rolling through and that will mean jobs at Cumberland, too," Taylor said. He had talked with CSX Chairman and Chief Executive Officer John Snow about the prospects.

A CSX spokesman declined to comment about the potential for increased freight and employment, but he said the company is interested in the port contract.

Added sales tax revenue would also allow the state to give small airports subsidies to reduce ticket prices, Taylor said. A subsidy at the Cumberland Regional Airport would certainly attract an air carrier to provide service from the airport to Baltimore-Washington International Airport, he said.

Taylor also said Western Maryland people would benefit from a proposed penny sales tax increase without paying for most of the tax.

"The fact of the matter is that about 80 to 85 percent of all sales tax revenues across the state is generated in the two metropolitan areas. That means the right people will be paying for it. Only 15 percent of all sales tax money in the state is generated from the rural areas, and Western Maryland pays 3 to 4 percent," he said.

Maryland's Chamber of Commerce is "still looking at all the options" to improve the transportation trust fund but insists

that transportation is one of the strong selling points for Maryland and our strong economy, said spokeswoman Sally Hays.

Taylor's arguments aren't persuasive for the Maryland Taxpayer Association.

MTA President William J. Skinner said the group opposes any new taxes or expansion of taxes including the proposed gas tax or possible penny sales tax increase.

The state needs a policy to fairly spend money on highway and mass transit systems, he said.

"They don't seem to have the guts to settle this," he said.