

Oregon Governor Signs Transportation Bill, Including 25 Percent Hike in State Gas Tax

PORTLAND, Ore.—Oregon Gov. Ted Kulongoski (D) July 29 signed a transportation bill (H.B. 2001b) that will increase the state's gasoline tax by 25 percent.

Currently, the state's gasoline tax is 24 cents per gallon. Under the bill, the tax will be increased to 30 cents per gallon.

The 6-cents-per-gallon increase would be effective depending on the economy. Under the bill, the increase will be effective when the state's employment increases 2 percent in two consecutive quarters, or Jan. 1, 2011, whichever comes first.

Realistically, the tax increase will not be effective until Jan. 1, 2011, Kulongoski told BNA at a bill signing.

For large trucks subject to the weight-mile tax, the weight-mile tables will be increased by 25 percent Oct. 1, 2010.

Local gasoline tax increases will be prohibited until Jan. 2, 2014, unless voters specifically approve such increases. Currently, local gasoline taxes range from 1 cent per gallon to 5 cents per gallon, depending on the jurisdiction.

Registration, title fees, and license fees will be increased. Those increases and the gas tax increase are expected to raise \$300 million annually, according to information from the Legislative Revenue Office.

The bill is the largest transportation package ever passed in Oregon and is expected to provide 40,000 construction jobs over 10 years on highway and other transportation projects, said Kulongoski.

Source: BNA