



## THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Delegate Vanessa Atterbeary  
Chairman  
House Ways and Means Committee, February 11, 2025  
HB695- Transportation Equity, Fairness and Privacy Act of 2024  
**Favorable**

### **Support Testimony for HB695- Repair the Transportation Trust Fund Act of 2025**

Good afternoon, Chairman Atterbeary, and Members of the Committee:

This bill does three things:

**First**, as I have always championed, the bill decouples the gas tax from the consumer price index. When considering the total gas tax, which includes both state and federal taxes, Maryland's total gas tax rate is approximately 47 cents per gallon of gasoline as of January 2025. This places Maryland as the 7th highest state in terms of total gas tax rates. The gas tax in Maryland has a **notable impact** on the overall cost of living, particularly for low- and middle-income households:

1. Direct impact on fuel costs
2. Disproportionate burden on lower-income households: The gas tax is regressive, meaning it takes a larger percentage of income from low-income earners compared to high-income earners. For example, a 10-cent increase in gas tax would represent about 0.20% of income for the lowest-income fifth of households, compared to only 0.05% for higher-income earners.
3. Indirect effects on goods and services: Higher gas prices due to taxes can lead to increased costs for businesses, particularly in transportation and logistics. These costs are often passed on to consumers in the form of higher prices for goods and services.
4. Impact on rural households: Rural households, especially those with only one vehicle, tend to be more affected by gas taxes as they often have fewer alternatives to reduce their fuel consumption.

**Secondly**, the bill prohibits the implementation of a per-mileage tax. A per-mileage tax unfairly burdens Maryland's working families and individuals who travel long distances for work, healthcare, and education. Lengthy commutes are often necessary due to job locations and family responsibilities. Imposing this tax would disproportionately penalize rural residents, who already have to travel farther for daily necessities, work, and emergencies. It would also disadvantage those living on the outskirts of urban areas and rural regions, disregarding their unique circumstances. Moreover, such a tax could discourage driving, impact industries reliant on commuting and travel, and ultimately affect the state's economy. This regressive form of taxation contradicts the principles of fairness and equity that should underpin our tax system.

**Thirdly**, the bill would require that MTA recover a higher percentage of their operating costs. Under the Fare Box Recovery system, most riders only cover an insignificant 13 to 15% of the total operating costs of mass transit. HB 695 aims to address this by mandating the Mass Transit Administration to achieve a 30% recovery of operating costs by 2029. The TTF is funded primarily with motor fuel tax and was initially designated to provide road and bridge maintenance funding. Still, 61% of the Transportation Trust Fund goes towards mass transit, while 9% of Maryland residents utilize mass transit.

A statewide poll from Gonzales reconfirms that 64% of Marylanders want our state government to focus on fixing roads and bridges. It's time to stop the bleeding of the TTF to address the 3.8-billion-dollar deficit. I am asking for a favorable report on HB 695.