



**Testimony of Joshua Culling, State Government Affairs Manager
National Taxpayers Union
to the
Northern Virginia Transportation Authority
on
Transportation Funding Proposals**

July 10, 2008

I. Introduction

Chairman Zimmerman and members of the Authority, my name is Joshua Culling. I am State Government Affairs Manager for the National Taxpayers Union (NTU), a nationwide grassroots taxpayer organization of 362,000 members, including over 9,000 in Virginia and almost 1,000 within the nine jurisdictions of NVTVA. You can find out all about NTU on our website:

www.ntu.org.

On behalf of NTU and its members, I am here to commend the General Assembly on its rejection of legislation that would increase taxes both in Northern Virginia and statewide in its special session yesterday. I also wish to speak out against potential future tax hike proposals in the name of transportation funding. The citizenry, the courts, and now the legislature have spoken: more taxes will not be tolerated. In today's difficult and uncertain economic climate, the last thing Virginians need is to forfeit more of their income to the government.

II. History

In 2002, then-Gov. Mark Warner proposed a new, transportation-related ½-cent sales tax in the Northern Virginia suburbs, and a full 1-cent sales tax in Hampton Roads. When subjected to a referendum that November, they were soundly defeated; by a 55 percent to 45 percent margin in Northern Virginia, and by nearly two to one in Hampton Roads. These proposed tax increases would have been significantly *smaller* than those contained in the package Gov. Kaine recently put on the table.

Then, in April of 2007, the General Assembly passed HB 3202, which gave NVTVA and the Hampton Roads Transportation Authority the ability to tax citizens in their jurisdictions; taxes of \$300 million and \$168 million were imposed by each respective entity. A group of taxpayers, including litigants employed at NTU, successfully challenged the constitutionality of HB 3202.

Supporters of further taxation argue that much has changed since tax hikes took a drubbing at the polls some six years ago; however, the body politic remains skeptical over pouring more resources into government coffers. The Commonwealth's budget has roughly doubled over the

past decade, yet officials insist that transportation programs need additional revenues. Along with the victory in court, a public petitioning effort in late 2007 against part of HB 3202 netted several hundred thousand signatures. Finally, and with all due respect to this body, Virginians remain rightfully concerned about the overlap, redundancy, and lack of accountability the Governor's proposal would have created. As the Heritage Foundation's Ron Utt noted, Virginia already has more than a dozen transportation bureaucracies, sometimes working at cross-purposes.

III. NTU's Stand

NTU members have several reservations over a tax-centered funding fix for NVTAs. First, with the current state of the economy, Virginians are already starting to feel the financial pinch. Gasoline prices are at record highs, food prices are soaring, and the tax bite is painful enough. More taxation would be detrimental to the economic health of the state.

Second, there is no guarantee that tax revenues earmarked for Northern Virginia's transportation infrastructure will actually be put to that use. As has happened often throughout the nation, a 1986 sales tax hike in Virginia destined for the Transportation Fund was largely squandered when it was moved to the General Fund to patch a budget hole. It's time for the government to reprioritize spending, rather than demanding more from Commonwealth residents.

Our 9,000 members urge you to drop your support of tax increases for Northern Virginia as well as the rest of the state. We applaud yesterday's defeat of SB 6009 and HB 6055, and support conducting performance and technical audits of existing programs, reducing spending elsewhere in the budget, or, if need be, shuttering NVTAs' doors. Such choices are not easy, but they would more ably serve the best interest of taxpayers.