

Dutch drivers to pay tax on road time, not on car

[✉ Email this Story](#)

Nov 14, 11:00 AM (ET)

By ARTHUR MAX

AMSTERDAM (AP) - The Dutch government plans to bring the polluter-pays principle into the home garage.

Rather than an annual road tax for their cars, drivers will soon pay a few cents for every kilometer (mile) on the road, in a plan aimed at breaking chronic traffic jams and cutting carbon emissions, the Cabinet decided Friday.

The GPS monitoring system could be a test case for other countries weighing options for easing crowded roads. Some cities like London have created congestion charges to control traffic in downtown areas, but only Singapore has a similar scheme for charging according to the amount of travel.

When the plan takes effect in 2012, new car prices will drop as much as 25 percent with the abolition of a purchase tax and the road tax, which now totals more than euro600 (\$900) per year for a mid-sized car.

Instead, an average passenger car will pay euro0.03 per 1 kilometer (\$0.07 per mile), with higher charges levied during rush hour and for traveling on congested roads. Trucks, commercial vehicles and bigger cars emitting more carbon dioxide will be assessed at a higher rate, the Transport Ministry said.

The GPS devices installed in cars will track the time, hour and place each car moves and send the data to a billing agency.

The Netherlands - and especially the coastal area encompassing the cities of Amsterdam, The Hague and Utrecht - has one of the most burdened road networks in Europe, with traffic jams likely at dozens of places virtually throughout the day. Hourly broadcasts report where the traffic is snarled, but often few alternatives exist to escape the highways.

The ministry said the new GPS monitoring system would discourage drivers from clogging the highways during peak hours, and in some cases, from driving at all. It estimated traffic would drop 15 percent and rush-hour congestion would be halved when drivers begin getting regular bills.

With less traffic and perhaps fewer stressed drivers, fatal accidents should fall 7 percent, and carbon emissions from road travel would be cut by 10 percent, the ministry said.

The tax will ratchet up every year until 2018 and could be adjusted if it fails to change traffic patterns.

Opponents were concerned the system will be a heavy burden on business drivers and could cost the government more than euro1 billion (\$1.5 billion) a year in tax income.

But the government figured nearly six out of 10 drivers would benefit while tax revenue would remain the same. Public transportation, including taxis, will be exempt.

"The goal is a different manner of paying for mobility that is more fair. Not paying more, but paying differently, with a positive income effect for most households," Traffic Minister Camiel Eurlings said Friday.

The kilometer tax has been debated for 20 years, raising other concerns that it would intrude on privacy.

The ministry said, however, the information collected by GPS would be "legally and technically protected," and the data would not be accessible to the government for other purposes. "The privacy of road users is protected," it said.