In Effort to Pander to Drivers, 48 Senators Vote to Up Oil Company Profits

by Noah Kazis on May 25, 2011



Adriano Espaillat voted for a gas tax holiday -- which won't even help lower costs at the pump -- on the dime of the 70 percent of his constituents who don't own a car.

Photo: Chu for Daily News

The New York State Senate voted for a "gas tax holiday" yesterday, moving to eliminate the three state taxes on fuel for the busy Memorial Day, Independence Day and Labor Day weekends this year. The estimated loss of revenue would be \$60 million.

The <u>48 state senators</u> who voted for the gas tax holiday wanted to ensure that drivers didn't have to pay for the environmental and social costs of their actions — a misguided enough goal — but their desperate attempt to pander wouldn't even have been a success on those grounds.

As economists from across the political spectrum have stated, a summertime gas tax holiday wouldn't reduce the price at the pump. Oil companies would charge the same rate and pocket the difference. The libertarian Cato Institute, no friend of taxes, called gas tax holidays a "holiday from reality" in 2008. If we really must pander to motorists, surely we can all agree that New Yorkers deserve better panderers.

Those state senators, however, are savvy politicos. They can't deliver the goods, but they know their audience. That's where the gas tax vote is especially revealing.

Even if a gas tax holiday worked as promised, reducing the price at the pump instead of increasing Exxon's profit margins, it's a sure thing where the money comes from: the state's transportation budget. If the gas tax holiday costs \$60 million, that's \$60 million in new revenues needed for the MTA and state DOT, or \$60 million more in cuts to things like education. While only drivers would even theoretically benefit, everyone else would pay the price.

Voting for a gas tax holiday means you're worried about appeasing drivers in your district and not too concerned with sending everybody else the bill. That's probably good politics if you're Patrick Gallivan, the Western New York senator whose district has a 96 percent car ownership rate according to Streetsblog's analysis of Census data. More outrageous is the fact that many New York City senators seem to agree.

The worst offender is new Upper Manhattan rep Adriano Espaillat. He voted for the gas tax holiday even though 70 percent of households in his district do not own a car. He thinks all of them need to pay to keep things easier for the other, wealthier, 30 percent. Almost as galling are the yes votes from Senate Transportation Committee chair Martin Dilan (whose district is 66

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percent car-free), Ruben Diaz, Sr. (63 percent car free) and Eric Adams (62 percent car-free). Adams and Bronx Senator Jeff Klein had <u>floated a similar idea in 2008</u>, proposing to suspend tolls on bridges and tunnels while giving drivers a "gas tax rebate."

Now that such a shameless pander has actually come up for a vote, kudos are due to Shirley Huntley, Toby Ann Stavisky and Diane Savino, the only three senators who voted against the gas tax holiday despite having a majority car-owning district. You can see the full, short list of senators who voted against handing the oil companies extra millions in the roll call.

Luckily, there is no indication that the Republican-sponsored plan is going anywhere in the State Assembly.