

# The Washington Times

## Gasoline-tax folly

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Surprises by definition are sudden, but the stuff of surprises can creep up slowly from behind. That's what has happened with the gradual escalation of gasoline prices, which are once more pinching wallets and making them cry. Washington officialdom in its genius has chosen this time to start working up support for an increase in the federal gasoline tax. With Americans already paying more to keep their cars on the road, if there is ever a good time to raise that tax, it's not now.

Across the nation, the average price of a gallon of unleaded regular stands at \$2.74, and that's 31 cents more than merely a month ago. Though only marginally higher than a year ago when it reached \$2.66, the current climb is one of the steepest and most prolonged since prices bottomed out in early 2016. As usual, West Coast residents are suffering the most, with the average price of a gallon in California topping out at \$3.71, and breaking \$4 a gallon in pricey California neighborhoods.

The price bump at the pump is puzzling. President Trump misses few opportunities to tout the nation's progress in energy production since he assumed office. "For the first time in 65 years, we are a net exporter of energy," he told Congress in his State of the Union message in February. It was a bit of an overstatement. The United States has yet to sustain such a feat over the course of a year. Still, the Energy Information Administration (EIA) reckons the nation could reach that milestone in 2020.

The energy surplus the president praises includes natural gas, of which America has a gracious plenty. But anyone assuming the nation is swimming in oceans of oil and, accordingly, gasoline, will be disappointed. Despite the rise in U.S. oil production, global demand for crude has prevented a glut from keeping fuel prices where American consumers like them. The price of oil per barrel has broken the \$60 mark and continues to climb. Add the tightening effect of refinery maintenance in California and Texas, and refinery utilization has fallen nearly 7 percent over the same period a year ago. Fuel reserves are shrinking.

Despite the gas pains, there's growing support at both ends of Pennsylvania Avenue for boosting the federal gasoline tax, which has stood at 18.4 cents a gallon for gasoline and 24.4 cents for diesel for nearly a quarter of a century. Both houses of Congress are considering legislation to boost the tax rate to put more money in the Highway Trust Fund, which is headed for insolvency by 2020. The New York real-estate developer who lives in President Trump's imagination longs to build stuff more exciting than a monotonous wall on the border with Mexico.

But a gasoline tax increase when the nation faces a \$4-plus trillion budget while laboring under debt somewhere north of \$22 trillion will hardly raise a cheer for a president who tolerates such. When the U.S. Government Accountability Office sheepishly admits the federal government frittered away \$141 billion in fraudulent payments in fiscal 2017, speaks volumes about the federal government's ability to manage money. Federal highway cash diverted to pay for bicycle lanes in city traffic? That's got the look of another Washington scheme to fleece taxpayers.

If ever there was a regressive tax to hit lower-income Americans harder than it hits their wealthy neighbors, this is the one. Truckers hauling freight overland and tradesmen making service calls must cover a lot of ground each day to make ends meet. When fill-ups climb toward \$3 a gallon, their net margins fall. Rich folks may not feel the pain of hits on their American Express cards, but for working families such hits mean fewer dollars for groceries.

There's no argument over whether the nation's roads and bridges need work. Nearly 235,000 U.S. bridges need repairs; the bill for that would be \$171 billion, according to the American Road and Transportation Builders Association. States, localities and the private sector — not Washington — own 97 percent of the nation's infrastructure, exclusive of the military, according to the Cato Institute, and 32 states have raised their own gasoline taxes since 2010.

But before the president and Congress enact fuel-tax folly, they should own up to their dreadful record of throwing money away on lesser things. Raising the federal tax on gasoline is a fool's cure.