



Wisconsin

Wisconsin's minimum markup law not helping with gas prices, says WILL official

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MILWAUKEE — The average price of gas in Wisconsin is over \$4.00 per gallon and rising, but it's not just the war in Ukraine that's keeping prices high in the state.

Will Flanders with the Wisconsin Institute for Law and Liberty wrote an open letter Thursday, asking Gov. Tony Evers to roll back the state's minimum markup law to help drivers better afford gas.

"[Minimum markup] requires that retailers increase the price of their gas by 9.18% over what they pay at wholesale. This means that gas stations are required to pass on price increases to consumers," Flanders wrote.

Flanders said because minimum markup is tied to the wholesale price of gas, it's difficult to pin down an exact price. But he told The Center Square minimum mark-up currently adds about 32 cents per gallon to the price at the pump.

"Perhaps the law would be defensible if it actually accomplished what it sets out to do, but the evidence suggests that it doesn't even do that. In 2017, WILL partnered with Ike Brannon of the Cato Institute to examine the extent to which minimum markup laws protected small businesses. Comparing states that had both a gasoline-specific minimum markup law and general minimum markup law, we found no difference in the number of per capita small businesses in those states," Flanders added.

He says minimum markup drives up prices for a lot of other things as well.

"Minimum markup punishes consumers on every purchase they make from groceries to gasoline," Flanders explained. "At a time of massive inflation when many families are struggling, we can no longer afford a law that just protects businesses from competition."

This week, Evers joined other Democratic governors in asking the Biden administration to pause the 18-cent federal gas tax for the rest of the year to lower prices at the pump.