



Congress Blocks Lawmaker's Gas Tax Hike Proposal

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December 11, 2015

The U.S. House of Representatives blocked an amendment to a multibillion-dollar highway infrastructure bill proposing to raise the federal government's excise tax on gasoline by 15 cents per gallon.

Rep. Earl Blumenauer (D-OR) had proposed an amendment to raise the gas tax from 18 cents per gallon to more than 33 cents, an 82 percent increase.

Addressing 'the Root Problem'

Akash Chougule, deputy director of policy for Americans for Prosperity, says taxpayers would be better served by lawmakers if gas tax revenues were spent on road construction and not bike trails and other non-road projects.

"Increasing the gas tax would simply not address the root problem of paying to repair our roads and bridges," Chougule said. "The reason for that is ... at least 20 percent of federal gas tax revenue is not going toward roads and bridges. Rather, it is going to completely unrelated and inherently state [or] local projects like bike paths, walking trails, and light rail. These are pet projects that completely throw out the window the concept of a user fee to fund federal road and bridge repair, which is what the federal gas tax is supposed to be."

Hitting Lower Incomes Hardest

Chougule says gas taxes have a disparate impact on vulnerable demographic groups.

"Another important thing to remember about the gas tax is that increasing it would hit lower- and middle-income families hardest," Chougule said. "Increasing the gas tax would also increase the price of everything that depends on gas to be shipped around the country. Middle- and lower-

income families continue to struggle in the Obama economy, but lower gas prices have at least provided some respite—about \$700 a year per household.

“That is real money, real savings that a gas tax hike would take away in order to fund a bloated federal government that refuses to get its priorities in order,” Chougule said.

A Better Way

Randal O’Toole, a senior fellow with the Cato Institute, says there are better ways to tax drivers for wear and tear they cause.

“I support mileage-based user fees and am one of the volunteers in Oregon’s experiment with such fees,” O’Toole said. “They are better than fuel taxes because the money can go to the actual owners of each road people drive on.”

O’Toole says innovative user fee systems are more efficient than the excise tax system implemented more than 80 years ago.

“For example, when I drive to a grocery store, I drive on a private road, a county road, a federal Forest Service road, a state highway, and a city street, yet fuel taxes only go to the state,” O’Toole said. “The feds get the tax, but then pass it to the state. A mileage-based user fee could be set up so that my fee would go to the owners of each road I drive on.”