

# U.S. Chamber Chief Calls for Higher Gas Tax

BY: [Liz Farmer](#) | January 10, 2013

The nation's top business advocate said Thursday it was time for the federal government to "quit fooling around" with funding the transportation trust that fuels many state and local infrastructure projects and called for an increase in the gas tax.

"You don't need a lot," [U.S. Chamber of Commerce](#) President Thomas Donohue said during a press conference that followed his annual State of American Business Address. "You do a little bit a year for a couple years and it'll make a big difference."

Donohue noted that the gas tax meant to fully fund the U.S. Highway Transportation Trust Fund is no longer sustaining the trust alone as better fuel economy has reduced tax revenue while roads are used more. Since 2008, the trust fund has been supplemented with money from the U.S. General Fund.

While acknowledging that raising the federal gas tax for the first time in two decades is no easy feat, he also argued the issue was semantics.

"A lot of people in the Chamber get a little squishy because a lot of people on [Capital] Hill don't like anything that sounds like a tax," Donohue said. "It's not a tax, it's a user fee. And if you don't want to ride on the roads you don't have to pay for it."

Earlier this week, a [report by Wells Fargo analyst Randy Gerardes](#) noted that a 5 cent increase in the federal gas tax would be sufficient enough to cover the \$147 billion funding shortfall that is projected for the transportation fund through 2022.

Meanwhile, states have had their own problems with depleting transportation revenue and raising fees or taxes while consumers are still recovering from the recession has been politically unpopular. In Virginia, Republican Governor Bob McDonnell is proposing nixing that state's gas tax altogether in favor of a higher state sales tax. But Donohue, without panning the idea outright, said the plan of "just upping the sales tax" severs the relationship between the transportation tax revenue and the amount roads are actually used.

Donohue's comments came as he detailed a larger push from the Chamber regarding federal tax reform in order to grow jobs domestically. Donohue said his organization would continue to push for spending restraint as a top priority, but he believed that restraint must be coupled with a new tax structure that makes the U.S. more globally competitive.

"The right kind of tax reform will turbo charge our growth, create jobs and generate more revenues for government at all levels," he said.

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