



Senators propose raising the gas tax for the first time since 1993

By Alexander Bolton - 06/18/14 12:19 PM EDT

Sens. Chris Murphy (D-Conn.) and Bob Corker (R-Tenn.) on Wednesday unveiled the first bipartisan Senate proposal to raise the gas tax, broaching a dangerous political issue that lawmakers have avoided for years.

The Murphy-Corker plan would raise the gas tax by 12 cents over the next two years, raising \$164 billion over the next decade and covering the shortfall in the Highway Trust Fund.

It would index the gas tax to inflation, pegging it to the Consumer Price Index, to avoid future shortfalls.

The lawmakers say it is time for Congress to pay for popular transportation programs instead of using budgetary gimmicks to hide their cost and pushing debt into the future.

"We're losing hundreds of millions of dollars in economic productivity because we're failing to invest in our nation's roadway and rails," said Murphy. "You're not going to find, virtually, any member of Congress who is proposing to spend less money on infrastructure over the next 10 years."

The question, they argue, is whether that spending will be covered by borrowing money from China or finding a way to pay for it now.

Congress last raised the gas tax in 1993.

Corker said he avoids violating Americans for Tax Reform's Taxpayer Protection Pledge by pairing the gas tax hike with other tax-relief legislation, such as a proposal to renew certain expired tax provisions indefinitely.

Corker said he vetted his proposal with the anti-tax group, which is led by Grover Norquist.

"We've done some work and had some phone conversations with them," he said.

Americans for Tax Reform told The Hill in an email that it does not endorse the outline of the Corker-Murphy plan.

"The highway trust fund does not have an under-taxing problem. It has an overspending problem," said John Kartch, the group's director of communications. "There is no good reason to raise the gas tax.

Corker said making permanent popular tax credits, such as the research and development tax credit, the state and local sales tax deduction, the teacher tax credit and the deduction for parking at mass transit sites, would provide \$189 billion in tax relief over the next decade.

"I don't think there is anybody who disputes making those permanent, by the way," Corker said.

Heritage Action for America, a conservative advocacy group, immediately signaled its leering of the plan.

"No worries ... let's just propose a \$164 billion tax increase," Dan Holler, the spokesman for Heritage Action, tweeted.

Club for Growth, another influential conservative group, rejected the proposal out of hand.

"This is a \$164 billion dollar tax increase, plain and simple. A gas tax hike would be both bad policy and terribly anti-growth. It's not an example of

political courage to avoid reforming a broken system," said Chris Chocola, the Club's president.

Murphy argued the proposal has the support of labor unions and the U.S. Chamber of Commerce, which have campaigned together in favor of a gas tax increase.

Corker dismissed a competing proposal by House Republicans to replenish the Highway Trust Fund by cutting the U.S. Postal Service's Saturday delivery service.

"Only in Washington would you take money from insolvent enterprise to fund another insolvent enterprise," he said.

The Postal Service reported a \$1.9 billion loss in the second quarter of this year.

"I think it's a gimmick," said Murphy of the House plan.

The Highway Trust Fund, which funds transportation projects across the country, is projected to run out of money as early as August, putting more than 600,000 jobs at risk.

The fund is currently funded by an 18 cents per gallon tax on gasoline and a 22 cents per gallon tax on diesel, but the revenue from the tax is not keeping pace with transportation spending.

"Most Americans want to see us to continue to improve our infrastructure," said Corker.

Transportation advocates, who have been pushing for a gas tax increase for more than a year, applauded Corker and Murphy's bipartisan proposal.

"Our nation's key infrastructure fund is rushing toward insolvency," Transportation for America Director James Corless said in a statement.

Advocates for increasing tolling to help pay for transportation projects also cheered the Corker-Murphy proposal, calling it "gutsy" to propose increasing the tax in an election year.

"We applaud Sens. Murphy and Corker for their gutsy proposal to increase the federal gasoline and diesel taxes by six cents in each of the next two years to keep the federal Highway Trust Fund from going broke," said International Bridge, Tunnel and Turnpike Association Executive Director Patrick Jones.

Corker and Murphy aren't up for reelection until 2018.

Jones said polls have shown that voters will support an increase in the gas tax if the money is used to pay for transportation improvements.

He pitched tolling as a more viable funding source in the long run, noting that the Obama administration has already supported lifting a longterm ban on adding toll booths to existing highway lanes.

"It will take a mix of funding solutions to keep our roads and bridges safe and reliable," Jones said. "All options should be on the table so that states can choose the funding methods that work best for them."

— *Keith Laing contributed to this report, which was last updated at 2:26 p.m.*

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