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White House nixes bipartisan gas tax hike plan to fix roads

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The White House said Monday that President Obama is against a bipartisan Senate proposal to shore up federal transportation funding by increasing the national gas tax.



The gas tax, which is currently priced at 18.4 cents per gallon, has long been the traditional source for federal transportation funding. The tax now brings in only about \$34 billion per year; cars have become more fuel efficient and U.S. residents are currently driving less frequently.

Obama has previously opposed suggestions from transportation advocates to up the gas tax, but a plan emerged in the Senate last week to implement a 12-cent hike over the next two years to prevent a bankruptcy in highway funding this summer.

"That's something that we've said a couple of times that we wouldn't support," new White House press secretary Josh Earnest said Monday, The Hill reported.

Obama has prodded Congress to approve a new round of transportation funding to prevent the bankruptcy in the Department of Transportation's Highway Trust Fund, which the agency has projected will occur in August without congressional action.

Obama has suggested that lawmakers instead use revenue from a corporate tax reform proposal, considered unlikely to become law this year.

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The current transportation funding bill, which is scheduled to expire at the end of September, includes approximately \$50 billion per year in road and transit spending.

The gas tax has not been increased since 1993. Transportation advocates have said the levy would be at about 30 cents per gallon now if it had been indexed to inflation 21 years ago.

Sens. Chris Murphy, D-Conn., and Bob Corker, R-Tenn., suggested last week that the gas tax should be increased by 6 cents over the next two years. The senators said their proposal, the first high-profile bipartisan movement on the gas tax in a generation, would raise \$164 billion to supplement the Highway Trust Fund's current anticipated revenues.

Obama has encouraged Congress to approve a four-year, \$302 billion transportation bill that would increase the annual funding for infrastructure to about \$75 billion.



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The Obama administration has been adamant that its preferred pay-for would be the savings from tax reform, but Transportation Secretary Anthony Foxx has said the administration would listen to other funding proposals that emerged from Congress.

"We have an approach that we favor, which is pro-growth business tax reform," Foxx told reporters earlier this month after House Republicans proposed tying transportation funding to cutbacks at the U.S. Postal Service.

"We think it's a smart approach that addresses the principles that people on both sides of the aisle have expressed to us, including not raising [tax] rates and also not increasing deficits," Foxx added. "[But] all along, we've said that if there are other ideas that emerge ... we would be willing to consider those ideas. And I suppose that's where we are."

The Trucker staff can be reached to comment on this article at editor@thetrucker.com.

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