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## **Increasing gas tax has support in both parties**

**Bush is against hike; no action likely this year**

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**WASHINGTON** - At a rally in Appleton, Wis., on March 30, President Bush came down hard on Democrats for supporting an increase in the 18.4-cent-a-gallon federal gasoline tax, which finances highway building, mass-transit projects and safety programs.

As a six-year surface transportation bill moves through Congress, he said, "there are some in the other party in Washington who would like to raise gas taxes. I think it would be wrong. I think it would be damaging to the economy, not positive to the economy."

The president was right that some Democrats favor a modest increase. But so do some leading GOP lawmakers.

Rep. Don Young, Alaska, the Republican who chairs the House Transportation and Infrastructure Committee, has been leading a crusade for sharply increased transportation spending funded by an immediate nickel increase in the tax, followed by annual increases of half a cent.

The last increase was in 1993.

The extra revenue raised from highway users would go to the Highway Trust Fund, which finances road, mass-transit and safety programs.

Young argues that the spending would create hundreds of thousands of new jobs.

He is supported by top Democrats on the committee, but also by Rep. Thomas Petri, R-Wis., who chairs the committee's panel on surface transportation. Petri's long record of fiscal conservatism has won him endorsements from groups such as the National Taxpayers Union and the Concord Coalition, which advocate fiscal responsibility.

Petri told the House Rules Committee last week that he favored annual increases in the tax - which he called a "user fee" - to make up for the inflation-eroded buying power of the dollars raised for the Highway Trust Fund.

The \$275 billion surface transportation bill that the House approved overwhelmingly April 2 did not include such an increase. Neither does a \$318 billion Senate version approved earlier.

With gasoline prices at their highest levels in years and an election just months away, an increase in the tax this year appears out of the question.

Bush recently attacked Sen. John Kerry, D-Mass., his Democratic opponent, for once favoring a 50-cent-per-gallon increase.

The Kerry campaign responded that while the senator did mention such a potential increase in a 1994 newspaper article that also discussed possible tax cuts, he never voted for it.

At the state level, however, there has been considerable bipartisan support for changes.

Since 1997, 14 state legislatures have voted to raise their state gas taxes a total of 17 times, according to a study by the American Road & Transportation Builders Association (ARTBA). The increases ranged from 1 cent per gallon in North Dakota to 6 cents a gallon in Ohio.

Ten of the states had Republican governors and seven had Republican legislatures, the ARTBA study found. In Florida and New York, which both have Republican governors, laws require the tax to be adjusted for inflation. Recent actions by the 74-member House Transportation and Infrastructure Committee have suggested there may also be a core of bipartisan support in Congress.

On March 24, the committee voted unanimously to approve a \$375 billion measure that Young made clear would have to be funded by a gas tax hike.

Approval came by voice vote, with most of the 40 Republicans on the committee present. The action was largely symbolic because Young had promised GOP leaders not to send the bill to the House floor. The bill did not actually include changes in the gas tax, which are up to the tax-writing Ways and Means Committee. The next day, the transportation committee approved the smaller, \$275 billion measure on which the House acted.

But many Republicans expressed dissatisfaction with that bill. They claim their states are shortchanged by a federal highway aid formula. The House rejected an amendment to reallocate funds within the bill, raising the possibility that, ultimately, higher gas taxes may be needed to raise sufficient revenue to fix the problem.

The Senate-passed transportation bill spared senators from voting on the gasoline tax issue. It readjusted the formula, using extra funds raised through a series of fiscal devices. But the White House has threatened a veto, citing the cost and various financing gimmicks.