

FLORIDIANS FOR BETTER



TRANSPORTATION

State Update – April 30, 2004

After agreeing two weeks earlier not to divert \$100 million from the State Transportation Trust Fund, the Florida Legislature passed an 8-cent suspension of Florida's gas tax for the month of August shortly before adjourning the 2004 Legislative Session.

During larger negotiations on the \$57 billion budget, this ill-advised gas tax suspension was made part of a bill providing for a sales tax holiday on clothing & school supplies. Ironically, a transfer of \$58 million will

be made from the General Fund to the State Transportation Trust Fund (STTF) to replace the revenues lost from the suspension.

This latest version of the gas tax suspension idea was scaled back from the originally proposed dime-a-gallon cut. Provisions included in the bill are supposed to ensure that the price break is reflected at the pumps.

FBT remains skeptical that the public will ultimately see any significant reduction in the purchase price at the pump. Even if they do, the savings for motorists will be minimal.

According to the U.S. Environmental Protection Agency, the average passenger car uses 550 gallons of gas a year. That translates to about 46 gallons a month. So, if you're an average driver, this gas tax suspension will only save you \$3.67.

Clearly, FBT believes this idea is not only bad public policy, but sets a bad precedent and fails to provide any meaningful "tax relief" to Florida motorists.

However, FBT truly appreciates the efforts of the Florida Legislature to hold the State Transportation Trust Fund "harmless" from any negative effects caused by this 8-cent gas tax suspension.

Commentary: If the Hippocratic Oath dictates that physicians "first do no harm," then we've made progress with the Legislature this year by ensuring that "FIRST THEY DID NO HARM" to transportation. No \$100 million "raid" and a \$58 million transfer to the Transportation Trust Fund to cover the cost of the August gas tax suspension.

FBT – Your "Voice" for Transportation!

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