



PROPOSED GAS TAX HIKE SPLITS FLA TRANS ADVOCATES

By KEITH LAING
THE NEWS SERVICE OF FLORIDA

THE CAPITAL, TALLAHASSEE, Dec. 2, 2010.....Florida transportation advocates on Thursday flashed yellow caution lights at a key plank of a bipartisan debt commission's recommendations for balancing the federal budget, raising the federal tax on gasoline.

Some, like Florida Transportation Builders Association president Bob Burlson, say bolstering federal coffers will lead to more investment in transportation, which the cash-strapped state government has struggled to maintain in recent years. Others, like Florida Petroleum Council executive director David Mica, say with record-high unemployment, an increase in the gas tax would hit struggling Floridians particularly hard.

Floridians for Better Transportation President Doug Callaway said he would reserve judgment until it's clear the additional revenue would be used for actual transportation projects after several high profile fights with state lawmakers over plans to redirect money from the state transportation trust fund for other purposes.

The deficit reduction plan is set to be voted on this week by the National Commission on Fiscal Responsibility and Reform, a bipartisan committee created last year by President Obama to tackle the burgeoning federal debt. Among the panel's recommendations is a 15 cent increase on the 18.4 cent federal tax imposed on each gallon of gas purchased. That would be in addition to the 14.5 cents per gallon for gasoline and 27.2 cents per gallon for diesel that is collected by the state of Florida.

"Our state faces significant transportation challenges while our nation faces an ever-increasing debt," Burlson said in a statement. "We support the commission's plan as it delivers critical transportation infrastructure resources while promoting economic growth through job creation – something Florida's communities desperately need. Further, this plan is a major step forward in means of getting our national debt under control and is critical for America's economic recovery."

Other recommendations of the panel, known as the Bowles-Simpson commission for co-chairmen Erskine Bowles, a Democrat, and Republican Alan Simpson, include reductions in defense spending, tax deductions and increases in the age of eligibility for entitlement programs like Social Security.

But Petroleum Council executive director Mica told the News Service of Florida Thursday that the gas tax proposal was "a bad idea."

“The federal gas tax is meant for roads, bridges and other forms of transportation,” Mica said. “Some of it is being diverted already. We think it’s an appropriate user fee...not for other types of things.”

Mica added that the gas tax would be “really, really tough on the economy,” especially in a state like Florida where the economy is so bad, cities are sprawling, and where driving tourists contribute to the state’s treasury.

“It’s particularly hard in those in areas like Florida where we travel a lot, as opposed to a place that’s more contained like New York,” he said. “That’s why a lot of things originate in urban areas in the Northeast.”

Callaway, the FBT president, said the gas tax has typically not generated enough revenue because it has competed with policies designed to reduce gas consumption, however well-intentioned those might be.

“We obviously need money for transportation,” he said. “We’ve got sort of a funding dilemma. At the national level and elsewhere, there’s contradictory government policy. We pay for transportation with a user fee called the gas tax, but there’s federal policies that sort discourages its use. They’re fine policies, but let’s be honest, they work at cross-purposes. People are driving more and more, but less money going is into the transportation trust fund to pay for maintenance (of roads).”

Callaway attributed uncertainty over the plan in Florida to recent attempts from the Legislature to balance the sagging state budget using money from the state transportation trust fund. Last year, lawmakers took \$160 million out of the Department of Transportation trust fund to balance the \$70.2 billion state budget, using the money for public schools. But outgoing Gov. Charlie Crist vetoed the trust fund sweep after being prodded by transportation advocacy groups.

Lawmakers overrode several other vetoes from Crist in a special session last month, but they left his decision to restore the transportation money untouched.

“I think increased investment for transportation is obviously a good thing, (but) how you get there can there can be problem,” Callaway said. “At the state level, I can understand why somebody might be skeptical because the Legislature has been more inclined to try to take from the trust fund.”

The deficit commission is scheduled to vote on the recommendations, including the gas tax, Friday. The executive order that created the panel requires its recommendations to be approved by 14 of its 18 members before they can be formally sent to Obama and Congress.

-END-
12/2/10

Detailed context on Florida transportation issues is available on the NSF Transportation

Backgrounder at <http://www.newsserviceflorida.com/transportation/transportation.htm>.

Independent and Indispensable

<http://www.newsserviceflorida.com>