



## New Jersey Democrat Proposes Gas Tax Increase

Group says it would hurt small businesses, burden consumers, reduce disposable income

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**TRENTON, N.J.** -- State Senator Raymond Lesniak (D) has introduced legislation Monday that would raise the gasoline tax in New Jersey five cents a gallon a year for the next three years to pay for repairs to the state's crumbling roads and bridges, reported *CBSNewYork*.

Lesniak told *The Star-Ledger* the tax increase would generate \$240 million a year in new revenue. "If we don't do it, it will be a disaster in the state of New Jersey for sure," Lesniak said. New Jersey currently has the second-lowest gas tax in the nation. At 14.5 cents per gallon, it has not been raised since 1992.

Lesniak's proposal has support from other Democrats, but is likely to hit a roadblock from Governor Chris Christie, who has voiced opposition to the idea in the past. Two recent polls show a large majority of New Jersey residents also are against it.

In a separately released statement, Sal Risalvato, executive director of the New Jersey Gasoline, C-Store & Automotive Association (NJGCA), said, "In all of my years as a gas station owner, an association executive and a political enthusiast, I have not heard one convincing argument that taxes in New Jersey are too low; however, year after year, New Jersey residents are burdened with increasing fees and taxes. This time, we are facing a doubling of the gas tax, from 14.5 cents to 29.5 cents per gallon."

He continued, "There are many members of my association who operate businesses at or near the northern and northwestern borders of the state. Our members report high volumes of consumers coming from Pennsylvania and New York to purchase their gas, since our lower tax translates to lower prices. If the gas tax increases, prices will follow. Not only can my members expect to lose this business, but the state of New Jersey can expect to lose the tax revenue that came from those out-of-state consumers."

Risalvato also expressed concern about the trickle-down effect of a higher gas tax. "Delivery costs will increase as a result of the rising gas tax. Transportation and shipping costs will go up, not only as it relates to gasoline, but across the board. These costs will all be passed on to the consumer--not just at the pump, but whenever shipping, transportation or delivery costs are factored into the prices of goods and services in our state."

He said, "One issue that is unique to our industry and poses a very real threat is the fact that station owners will now be faced with an additional \$1,275 burden each time they receive a delivery of gasoline. The retailer pays for the gasoline up front, and must absorb that cost when the gas is delivered. Then, unfortunately, the retailer is forced to make up those costs by passing them along to the consumer."

Risalvato concluded, "Finally, when prices go up, people change their habits. In this particular instance, people may try to save money by driving less or perhaps by choosing not to buy that cup or coffee or newspaper at the convenience store. When consumers have less disposable income, it hurts small businesses across the board."