

To fix N.J.'s roads and bridges, a higher gas tax is unavoidable, lawmaker says



Motorist drives by a pothole on Princeton Pike in Lawrenceville, NJ on 2/10/14. (Saed Hindash/The Star-Ledger)

By Steve Strunsky | NJ Advance Media for NJ.com
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CAMDEN — He said the T-word.

The state gasoline tax has to be raised to maintain NJ's roads, bridges and rail lines, the chairman of the state Assembly Transportation, Public Works and Independent Authorities Committee said during a hearing this morning in Camden. As sensitive as the word "tax" may be to anyone whose livelihood depends on not angering voters, the need for a tax hike in the face of dwindling transportation funds can't be avoided, said the chairman, Assemblyman John Wisniewski.

"We continue to use there term, 'We have to raise revenues.'" Wisniewski (D-Middlesex) said to fellow committee members and witnesses, none of whom spoke out against a tax hike, but several of whom strained to avoid using the three-letter word.

“If we keep tiptoeing around the obvious word, we’re going to make it harder,” Wisniewski said. “The reality is, if we’re going to solve the problem, we’re going to have to raise the tax, because we can’t do it any other way.”

The committee convened at the Camden County College Theater this morning for the third in a series of field hearings on how to replenish the [Transportation Trust Fund](#), the account that pays for NJ’s share of state transportation projects and provides aid for local road and bridge work. The fund takes in about \$1.2 billion a year in dedicated gasoline and sales taxes, but due to ballooning debt service payments, it will run out of cash for new projects during the fiscal year that starts July 1

The hearing was the first since Wisniewski introduced a bill last week that would effectively raise the gasoline tax by about \$0.25, an increase he said would raise an additional \$1.25 billion a year for the trust fund, at a cost to the average New Jersey motorist of [just under \\$300 a year](#).

For years, national surveys by the American Society of Civil Engineers and other groups have ranked New Jersey’s roads among the worst in the nation, and among the two dozen witnesses who have testified at the three trust fund hearings, only one, a state representative of the anti-tax group Americans for Prosperity testified against raising taxes to maintain the transportation system, during a hearing at Montclair State University in September.

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The organization's state director, Daryn Iwicki, issued a statement slamming Wisniewski's bill.

“A 25-cent gas tax hike would be just devastating,” Iwicki stated. “How much more unaffordable does Asm. Wisniewski want to make it for people to live in New Jersey? We already have the highest taxes in the country and some of the highest tolls. Now he wants to raise the gas tax 25-cents per gallon? A gas tax is a regressive tax and one of this size will crush our already struggling middle- and lower-income families.”

But the word "tax" has been conspicuous more in its absence from the committee's discussions than its use. Likewise for Gov. Chris Christie and his transportation commissioner, Jamie Fox, who have expressed an openness to hiking the gas tax, but only by insisting that [everything was on the table](#), without using the T-word.

Some transportation committee members, notably Assemblywoman Sheila Oliver (D-Essex), have raised concerns about the impact of a hike in the essentially regressive gas tax on lower-income motorists, who would be harder hit by it than wealthier drivers. Others have talked about trying to minimize a hike through spending controls and constitutional dedications, which Wisniewski’s bill would include.

The bill was not formally discussed by the committee during the hearing. But afterward, the committee’s ranking Republican, Assemblyman Scott Rumana (R-Passaic), said he opposed the size of the tax increase proposed by Wisniewski.

"I am fully committed to finding the funding necessary to support a robust transportation program," Rumana said. "But I cannot support the tax increase proposed in this bill."

Witnesses included David Rosen, the state Legislative Budget and Finance Officer. Rosen, who was invited to testify by Wisniewski, did not take a position of whether to raise the gas tax. But he told the committee that the state faces a \$7 billion structural deficit in Fiscal 2016, meaning transportation subsidies from the general fund would require cuts to other programs.

Cathleen Lewis, a spokeswoman from New Jersey AAA, said this was the first year in memory that a majority of members of the automobile club were opposed to raising the gasoline tax even though the added revenues were dedicated to fixing roads and bridges. But Lewis said members were also aware of the costs of bad roads, which she and others put at \$600 a year in repairs to suspension systems, tires or rims.

A Rutgers-Eagleton poll released last month said 58% of New Jerseyans opposed a gas tax hike to fix state roads, compared to 66% opposed in April.

Serena Rice, executive director of the Anti-Poverty Network of NJ, said her group didn't oppose hiking the gas tax, even though it could be "devastating" to some home health care workers who drive long distances to work. Unexpected repair costs are hard on them, too, she said.

What Rice asked lawmakers to consider to offset a gas tax hike was restoring the state Earned Income Tax Credit, which lapsed in 2010, costing working families \$50 million since then.

Sal Risalvato, executive director of the NJ Gasline-Convenience-Automotive Association, warned that his members would lose some business from out-of-state motorists if the tax went up. But Risalvato reflected the political and semantic sensitivity of the issue when he told the committee that, while he and his members would not like to see a gas tax hike, they were motorists, too, subject to the same costly potholes and congestion as anyone else on NJ's roads.

"I need to make the distinction between 'I don't want you to raise the gas tax or any other tax,' Risalvato said, "and me saying to you, 'Don't raise the gas tax.' "

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