

Lawmakers seek roadmap to fund transportation

By MICHAEL CATALINI, Associated Press
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TRENTON, N.J. (AP) — New Jersey lawmakers continue to weigh a number of options aimed at paying for transportation projects across the state, including some that could hit drivers' wallets when they go to fill their gas tanks.

One problem with the state's transportation trust fund is that all the money the state sets aside for it goes toward paying down existing debt. Meanwhile, the program to finance roads and bridges also includes debt — a combination of bonds and cash from the [Port Authority of NY and NJ](#).

The Legislature and Gov. [Christie](#) want to reach an agreement for transportation funding by July 1, when officials will have to decide whether to take on more debt or abandon new projects.

A closer look at options being discussed and how they could affect residents.

GAS TAX

At 10.5 cents per gallon, New Jersey's gasoline tax is the second-lowest in the nation, and less than neighboring Pennsylvania and New York. Lawmakers and others frequently suggest raising it as a possible solution. For the current fiscal year, the state receives \$516 million from fuels taxes, about 41 percent of the \$1.26 billion in state revenues dedicated to the fund.

"The idea of raising the gasoline tax, in one way or the other, I think is an unavoidable conclusion that sooner or later we're going to have to meet," [Hudson County Executive Thomas DeGise](#) said at an Assembly hearing on the issue. "And so raising the gasoline tax a modest amount would provide us with additional income that we could reinvest in our infrastructure and, at the same time, not chase people away."

Lawmakers and business and labor leaders agree the cost of the tax would be passed along to drivers in the state. But there is no agreement on how much to raise the rate, if at all.

SALES TAX ON GAS

A portion of the state's 7% sales tax already goes toward the transportation trust fund, amounting to \$518 million for fiscal year 2015. But those taxes are not applied to the sale of gasoline. Worried that lawmakers could apply the state's sales tax to gas, advocates for the state's [convenience store](#) operators are mounting an effort to convince officials it's a bad idea.

For one, gas prices fluctuate, which means the state could face difficulty calculating its income. Another issue is the possibility that retailers could evade paying the tax to the state, said [Sal Risalvato](#), executive director of the New Jersey Gasoline, Convenience Store and [Automotive Association](#). He cited Illinois, where he said gas retailers evaded paying \$100 million.

PETROLEUM PRODUCTS TAX

Assemblyman [John Wisniewski](#), chairman of the [Transportation Committee](#), has proposed changing the tax on petroleum products from a flat rate of 4 cents/gallon to 9% of the average price of unleaded gasoline. He estimates that could cost a typical driver 75-80 cents/day, or up to \$292 a year.

Wilson estimates the tax would generate about \$1.45 billion for the fund. Currently, the tax sends \$200 million to the fund, so the proposal would raise an additional \$1.25 billion.

OTHER IDEAS

Assemblyman [Timothy Eustace](#) proposed dedicating a portion of the sales tax on electric, natural gas and hybrid fuel sources to the trust fund. The [New Jersey Food Council](#) proposed raising the gas tax 9 cents over three years. Some lawmakers suggested public partnerships with businesses to form deals, which would result in tolls on bridges around the state to finance infrastructure.