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NJ Gasoline, C-Store, Automotive Association (NJGCA)

The Wrong Tax for New Jersey: How Not to Fund the Transportation Trust Fund

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The maintenance of a transportation network is one of the most fundamental responsibilities of a government. Our state's Transportation Trust Fund is rapidly running out of resources as bills for past expenses come due. There has been an increasing level of discussion about raising revenue to replenish the Fund. Much of this discussion has centered on an increase in the state's fuel tax, and more recently there has been talk about extending the state's 7% sales tax to purchases of motor fuel.

As the nonprofit trade association representing the roughly 2,300 motor fuel retailers in this state, mostly small businesses, it is our contention that extending the sales tax to motor fuel would be disastrous not only to consumers and businesses, but also to the state government.

Any percentage based tax will present immense challenges to the State Budget during the periods when prices are falling and then significant hardship to its citizens when prices are increasing. Collecting this tax at the pump rather than higher up the supply chain will be an immense and unnecessary burden to small businesses that will clear the way for millions of dollars in fraud.

Volatility -- Price Decreases

The extension of the state's 7% sales tax to fuel purchases at the pump will be seriously detrimental to all parties affected; the people, businesses, and government of the state of New Jersey.

Unlike many other consumer goods, gas prices do not necessarily track with inflation. The peaks and valleys are both frequent and substantial, as the chart below shows.

Year	Average Retail Price ¹	Change	% Change
2007	\$2.67		
2008	\$3.06	\$0.39	15%
2009	\$2.27	-\$0.79	-26%
2010	\$2.68	\$0.41	18%
2011	\$3.42	\$0.74	28%
2012	\$3.50	\$0.08	2%
2013	\$3.37	-\$0.13	-4%
2014	\$3.30	-\$0.07	-2%

From one year to the next prices of gasoline can fall by huge amounts or increase sharply, or even stay effectively flat. It is impossible to predict in advance what the coming year will bring. The average price of gas jumped by \$1.23 between 2009 and 2012, an increase of over 50%. It goes without saying that the value of the dollar did not fall by half in that time period.

The volatility is even more extreme when we examine the averages by month. We are living through an example of it at this moment. The average price of gas was \$3.51 for June 2014, in September it was \$3.17 and in October it fell to \$2.84. Three months pass and the price is down 20%, 33¢ just from one month to the next. Again, the dollar has not deflated in value 20% in the last three months.

When the taxes citizens pay are based on a percentage, it means that the actual rate they pay is determined by the size of the purchase. When the price dramatically increases and decreases it means taxes dramatically increase and decrease. This volatility is a tremendous problem both for the state’s budget and for consumers.

For the State the volatility would mean years of possibly titanic shortfalls. The chart below shows hypothetical fuel prices, what the sales tax per gallon would be, and how much revenue the State would collect in a fiscal year if this was the average price per gallon, based on an average of 5.45 billion gallons of motor fuel sold per year.²

Average Fuel Price	Sales Tax per gallon	Revenue Collected
\$ 2.50	\$ 0.18	\$953,525,704
\$ 2.75	\$ 0.19	\$1,048,878,274
\$ 3.00	\$ 0.21	\$1,144,230,844
\$ 3.25	\$ 0.23	\$1,239,583,415
\$ 3.50	\$ 0.25	\$1,334,935,985
\$ 3.75	\$ 0.26	\$1,430,288,555
\$ 4.00	\$ 0.28	\$1,525,641,126

Currently, when the drafters of the State Budget want to predict the amount of revenue the State will collect from taxes on motor fuels, they can look at how many gallons of fuel were sold in the previous year and estimate that the coming year will see slightly more or fewer gallons sold.

If a sales or other percentage based tax were to be enacted, then the drafters would have to guess not only how many gallons will be sold but also what the average cost of gas will be for the coming year. There are professionals who dedicate their lives to analyzing gas prices who are incapable of doing this. If it were estimated that the price of gas for the coming year were to be \$3.50, and the actual cost was \$2.75, then the State would be scrambling to fill a funding shortfall of over \$280 million. That is just for the unrealized revenues on fuel taxes, given recent history it is not difficult to imagine shortfalls in other areas of the budget at the same time.

A failed prediction of that degree is eminently plausible. If in Fiscal Year 2009 it was predicted that the average price of gas were to be the same as it was in FY 2008, \$3.05 per gallon, and money was

appropriated based on that planned revenue; then the State would have suffered a shortfall of approximately \$300 million when the actual average price of gas turned out to be \$2.41 per gallon, as the chart below shows.

Fiscal Year	Avg. Pump Price	With Sales Tax	Added tax	% change in tax	Gallons Sold	Sales Tax revenue	Gap	Gap %
2008	\$3.05	\$3.26	\$0.21		5,766,670,875	\$1,230,818,586		
2009	\$2.41	\$2.58	\$0.17	-21%	5,562,826,400	\$939,715,670	-\$291,102,915	-24%

Had a sales tax on fuel already been put into effect this fiscal year, it would mean that situations like the present, when prices are falling and consumers are celebrating, would be met with panic inside the State Treasurer’s office and the Department of Transportation as they start scrambling for which projects will need to be cut or scaled back.

These massive shortfalls are the primary reason why several other states with percentage based taxes on fuel have changed their laws in recent years to move away from this policy. In 2010 the state of California gutted their original policy of simply charging the sales tax on gas. They lowered the percentage from 8.25% to 2.25% and then increased the excise tax by about 17¢.³ Every year an appointed board adjusts the excise tax in order to maintain approximately the same amount of revenue. While this plan is convoluted, it does result in a much steadier stream of revenue for the state.

An academic paper entitled “Gasoline taxes and revenue volatility: An application to California” published in May 2013 by *Energy Policy* and written by Michael Madowitz (currently an economist at the Center for American Progress) and Kevin Novan argued that this change was a significant and notable success. They pointed out that over the previous decade, the amount of revenue generated by the excise tax varied by about 1.2% year to year, while the revenue generated by the sales tax fluctuated by an average of 13.5%.⁴ They recommend against any percentage based tax on motor fuels and instead for an excise tax that increases with inflation.

In 2009 a special session of the West Virginia Legislature worked with the Governor to make significant adjustments to their law in order to bring stability to their transportation revenues. Part of their tax rate is a typical excise tax but part is also a percentage tax based on the average cost of fuel the previous summer.⁵ They were faced with the prospect of that tax being lowered in the coming year by 3 cents a gallon, which would have resulted in a shortfall of about \$70 million. They also added a change which caps any future changes in the tax to 10% of the wholesale gas price as a protection against revenue losses during falls in the gas price (such as what we are currently experiencing).⁶

A December 2010 study from the University of Georgia determined that long term projections of the revenue generated by fuel taxes in Georgia were difficult due to the fact that a large portion on the tax was percentage based. They too concluded that “converting the system to an excise tax would simplify compliance and likely make revenue forecasting much easier and more accurate.”⁷

Volatility -- Price Increases

We all know full well that fuel prices do not only rapidly fall, they can also rapidly increase. In theory this would mean surpluses for the state government, perhaps even ones that would cover for the deficits experienced in other years. The reality is not nearly so simple.

The reason revenues would be increasing is because the amount of taxes motorists and businesses pay will be increasing. An increase from \$2.75 a gallon to \$3.50 a gallon, if a sales tax were added on, would mean a fuel tax increase of 27%. This tax increase would be happening at the worst possible time for consumers. Motorists are at their most price conscious when prices are shooting up fast, a sales tax would cause taxes to increase even higher and even faster. The economy is always negatively affected when fuel prices jump unexpectedly, and a percentage based tax rate would effectively double down on that pain.

The State will be reaping its windfall while its citizens are struggling the most, in effect creating a perverse incentive in which the people's government directly benefits when its citizens are facing financial struggles. Philosophically it is the opposite of the income tax, in which the State has a clear benefit in increasing the incomes of all its citizens so that the revenue it collects also increases.

Even the benefits of the surpluses may not be fully realized. Just over the last few years Georgia, Indiana, North Carolina, and West Virginia have all taken action to suspend the increases in fuel taxes during price spikes in order to prevent their citizens from being hit harder economically. The Governor of Georgia has suspended the increased rate in three of the last four years.⁸ Illinois suspended the sales tax on gasoline for six months in the year 2000 in response to an outcry from their citizens, costing the state around \$157 million.⁹ Just this month the voters of Massachusetts approved a referendum repealing the provision of their gas tax which tied increases to inflation, the measure received over a million votes. The state government of Maine repealed its automatic gas tax indexing in 2011.

In the face of intense public pressure, can it truly be guaranteed that future Governors and future Legislatures will not do the same as the governments in these states? If they do not suspend the taxes they would essentially be telling their citizens they are indifferent to the pain they are unexpectedly feeling at the pump. If they did suspend increases they would be robbing the government of the surpluses but still sticking through during the deficits, effectively the worst of both worlds.

In an ideal world, during the years when the State would take in a surplus of revenue it would put that added money aside as a rainy day fund to make up for the years of shortfalls. In practice this strategy cannot be relied upon. It is impossible to know whether the coming year will see high gas prices, low gas prices, or steady gas prices. There could be multiple years of increases and multiple years of decreases.

Rainy day funds may also be too tempting. Faced with the prospect of revenue problems in the future or severe budget cuts in the present, the last few decades of experience indicate that more fiscal problems will be pushed further down the road. If that were not the case, we would not have the tremendous shortfall in the Transportation Trust Fund to begin with.

Additional Issues with Percentage Based Taxes

The gas tax is inherently a regressive tax; it takes up a larger portion of the income of the poorest citizens compared with the wealthiest. A percentage based tax would double down on that reality since when gas prices are increasing and family budgets are getting stretched thinner and thinner anyway, the gas tax would be increasing.

Depending on how the sales tax is implemented, it may also equate to a "tax on a tax". If the tax were collected directly from consumers at the pump as the sales tax is currently collected on other products, then the 7% would be collected on a retail price which includes the state and federal excise taxes, currently 33.13¢. Illinois is one state that does "tax a tax" by levying their sales tax on a rate which includes the federal taxes though not the state excise taxes.

Unlike so many other long term issues the state does and has faced, a percentage based tax is not the long term solution. Over the coming years, demand for fuel will continue its decline as motorists drive more and more fuel efficient vehicles, including vehicles powered partly or wholly by natural gas, electricity, hydrogen, or other alternative fuels.

Gasoline is too volatile of a commodity to just assume that a percentage based tax will answer our problems. We cannot base our funding plans on the idea that fuel prices will continue to steadily increase over the long term, especially because of increasing mileage standards. While motor fuel is a commodity and subject to a variety of variables in determining its pricing, it is still beholden to the laws of supply and demand. As demand for fuel drops, but supply remains steady or even increases thanks to advances in drilling techniques, it will hold down the price of fuel even as the total number of miles traveled by vehicles increases.

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If the goal is to create a tax structure that will permanently solve the problem of TTF funding and prevent another tax change in the next decade or two, then at the very least a percentage based tax is not the panacea being sought.

Burden to Retailers

It is important to understand how the motor fuel retail industry works. Presently, all taxes on motor fuel are paid at the level of the fuel terminal. It is the responsibility of the oil companies selling the fuel to remit all the taxes associated with it to the state government. They then collect the taxes from their customers, the fuel distributors, who then collect the taxes from their customers, the fuel retailers, who pass it on to their customers, the motorists. Neither the motorists, nor the retailers, directly pay the gas tax. They are both simply paying the costs that are passed on to them.

A sales tax at the pump changes this by requiring retailers to collect the sales tax directly from the consumers and then remit it to the government. Such a plan, more than any other proposal, would be a significant accounting and administrative burden to motor fuel retailers.

For one, it will be rife with the potential for abuse. It is of course true that most of these retailers already pay sales tax on other products. But adding the sales tax to gas will indeed be a game-changer, and in a very negative way. With the average station selling around 100,000 gallons a

month, the amount of money that would have to be sequestered in a month would range from around \$17,000 when prices are low to \$25,000 or more when they are high.

The fuel retail business is one that can best be described as famine, famine, famine, famine, famine, feast, famine, famine. In order to survive the famine periods, a business needs to build up reserves it can survive off of when times are tight and margins shrink. If those reserves start to dry out, then that new bank account full of sales tax revenue may look awful tempting to some business owners. This is especially true since it is never known how long these periods of famine will last. It could only be another week before the market stabilizes the thinking may go, why take out a loan or dip into a child's college account when there is other money available.

It would be easy to falsify this information. A deceptive retailer could either report that they sold fewer gallons of fuel than they actually did and then use the sales tax revenue they collected on the unreported gallons for their personal use. They could also lie about the retail price they charged the public. If they report selling fuel at ten cents lower than they actually sell it, the average gas station would be able to pocket about \$1,000 per month.

Of course, forensic accounting would be able to identify these cheats by looking at pricing invoices or credit card receipts, but this is not a regular practice and would require increased vigilance and efforts on the part of the State. Ultimately every retailer, including the majority who would be honest, will be faced with more frequent and more intrusive audits from the State as it casts a wide net in an attempt to catch cheats. It is important to note that most retailers are extremely honest, which is why they will become victims of the few unscrupulous competitors.

These unscrupulous business owners not only hurt the State, they hurt the honest businesses around them by giving themselves an unfair advantage. We do not have to think of this as a purely hypothetical, once again other states offer important examples.

Illinois is a state which collects the sales tax on gasoline purchases. On October 23, 2014 the Attorney General of the state of Illinois announced that her office had recovered more than \$100 million in sales tax revenue that gas station owners had evaded paying.¹⁰ Fifty different business owners have been charged so far. The problem was so bad that a new law was passed earlier this year specifically to crack down on these violations.

Earlier this year Indiana changed its law in response to cheating among some of its fuel retailers. Part of Indiana's fuel tax is a flat amount that changes monthly based on changes in the price of gas. A portion of that tax had to be collected and remitted by retailers, some of whom preferred to cheat the state and undermine their competition. The Indiana Petroleum Marketers and Convenience Store Association estimated that the state had lost as much as \$50 billion in taxes over the last eight years.¹¹ The change in the law moved the tax collection further upstream.

It is not just other states that provide the example, it is New Jersey too. In June 2010 the Legislature and Governor changed the law regarding the manner of the collection of the excise tax on diesel motor fuel. Instead of having the retailer collect the diesel tax, it would instead be collected at the level it is distributed from, just as is done with gasoline and described above. There were two chief

reasons. One was to alleviate the accounting and administrative burden on retailers and the other was to eliminate diesel tax evasion.

More temptation for law violations will also mean increased costs to the State in enforcement. When the collection of the diesel excise tax was moved upstream that move alone was estimated to save the Division of Taxation \$18 million annually.¹² There would also be increases in costs to the Attorney General's Office assuming it follows the lead of its counterpart in Illinois. It would be nice to believe that such cheating would be minimal and insignificant, but as James Madison said, "If men were angels, no government would be necessary".

Many gas pumps in the state are older, and do not have the capability to add on the cost of a sales tax to the final purchase. This will result in a further record-keeping hassle for already stressed small business owners. In practice, effectively all retailers will calculate their price for the day as they currently do, then determine the sales tax for that price, and then add that charge into the price at the pump. This is different from how sales taxes are collected in other retail businesses and even different from how sales tax is collected on other products and services at gasoline service stations.

When it comes time to remit the sales tax, the manager will have to look up the pump price for that day and figure out how many gallons were sold on that day so that they can properly remit the sales tax. While this burden is not completely insurmountable, it complicates the life of the small business owner in a way that is completely unnecessary.

Most stations will have to do this between three and eight times since every individual grade of fuel will have a different tax rate since regular, midgrade, premium, and diesel all have different prices. Stations which offer a discount for cash purchases on their products will have to make calculations for those prices as well. Each one of them will change as often as every day.

Collecting the sales tax at the pump also raises the question of where the sales tax revenue from fuel will go once the State collects it. For example Illinois, which does have a sales tax, sends its revenue straight to its General Fund. If it goes to New Jersey's General Fund along with the sales tax revenue from other goods sold by the retailer, then it is not hard to imagine the money being diverted in future budgets to non-TTF related expenditures. Doing so will make it even harder for the public to swallow such a tax.

On the other hand, if the sales tax revenue from fuel purchases is statutorily dedicated to the TTF then retailers will presumably have to ensure that it is kept segregated from the sales taxes they collect on other goods. This would be another reason to move the collection point upstream since terminal operators would not have that complication.

Alternatives

It is a significantly better policy to move the payment of any fuel taxes up the supply chain, as has already been done with the excise taxes on gasoline and diesel. It is significantly simpler for the small businesses and far less prone to abuse.

The downside to this move would be that retailers would need to produce more money upfront on every purchase of fuel. While this is a burden, it is less of a burden than collecting the sales tax at the pump. It is also a factor retailers are accustomed to dealing with. When the price of fuel skyrockets, the price of deliveries increases as well yet most retailers are able to put the necessary funds together.

Another way to better this proposal beyond just moving the collection point is to follow the example of states like Indiana as well a bill introduced by Senator Ron Rice, S-2051. Rather than having a different tax rate every time the price of fuel is different, it would have the state use an average of retail fuel costs in the state over a period of a month or a quarter, determine a percentage of that, and then charge it as a flat rate for the next month or quarter. Though it would fall victim to the other pitfalls of a percentage based tax, it would create more reliable budgeting for both retailers and the state government than a sales tax at the pump.

When the PGR tax was originally instituted, it was not set at 4¢ but at 2.75%. In June 2000 the Legislature changed the law so that it would be set at calculating 2.75% of the retail price of gas as it was in December 1990, which equated 4¢.¹³ If that were to be amended to reflect the average retail price of gas in October 2014 it would amount to a net tax increase of around 3.8¢ per gallon, while using June 2014 as the baseline would result in a net extra 5.6¢ per gallon. This would increase revenue by about \$207 million or \$305 million, respectively.¹⁴ Politically, such a change could be seen not as a tax increase but instead closing a loophole and allowing the tax to go back to being collected as it was originally intended when it was implemented in the early 1990s.

Assemblyman Wisniewski's bill, A-3886, to change the Petroleum Gross Receipts Tax is another choice which combines the previous two options. It increases the percentage from 2.75% to 9%. It would task the BPU with calculating the average retail price of regular gas in the state for a six month period and then charging a flat tax based on 9% of that number. It also sets a floor based on the average price of gas in August 2014, about \$3.23 a gallon. This would equate to a net tax increase of 25¢ a gallon. By having the tax rate change only twice per year it would allow for much more reliable budgeting for retailers, the state, and consumers. The floor of August 2014 would be protective against shortfalls, however, it does still fall victim to the other problems in a percentage based tax system such as the tax increases consumers would face when prices go back up.

Best of all revenue increases would simply be a flat increase in the excise tax. While NJGCA cannot endorse a proposal which makes our primary product more expensive to customers, we must state that it would be significantly better public policy than any percentage based tax on fuel, especially a sales tax collected at the pump by the retailer.

There is concern that any excise tax would see its value eaten away over time as drivers purchase less fuel and inflation increases. As discussed, a percentage based tax will not solve that problem even if does help alleviate it. If an excise tax increase is not enough, then an alternative could be to add a provision that increases the tax based on changes in the Consumer Price Index (CPI). As noted, Massachusetts voters and Maine legislators have recently repealed these provisions in their laws due to their opposition to the idea of automatic tax increases. It would, however, be a more reliable answer than a percentage based tax. Over time though, it could eat into the advantage New Jersey has over its neighbors by increasing our gas price faster than they are increasing theirs.

Another idea suggested by the Institute on Taxation and Economic Policy (ITEP) and the Arkansas Blue Ribbon Committee on Highway Finance¹⁵ is to use a price index based on "the rate of growth in transportation infrastructure costs".¹⁶ No state currently uses this system although Michigan and Ohio once did. They stopped after tax increases started becoming too frequent for the public to accept. The federal government currently calculates a "National Highway Construction Cost Index", the State could either use their calculations or use their formula to calculate one for New Jersey.¹⁷

A small, but fair way of generating revenue from vehicles that do not contribute to the motor fuel tax is an annual fee. Several states, including Virginia, Nebraska, Colorado, Washington, and North Carolina require owners of these alternative fueled vehicles to pay an annual fee of between \$50 and \$100.¹⁸

In any democracy, public policy will always be heavily influenced by consideration of how voters will react. An argument has been made that "extending" the sales tax is more tenable than "raising" the excise tax. However, it must be noted that in practice the two things will look the same.

As mentioned, the sales tax will not be added on at the end of a purchase as a separate item on the receipt; it will be added into the price at the pump and on the street sign, just as all the taxes currently are. A sales tax will be passed on to the consumer in the same way an excise tax increase will be.

If the excise tax were increased twenty one cents, then from one day to the next motorists would see the price of gas at the pump increase by twenty one cents. If a sales tax were instituted when prices were \$3 a gallon, then from one day to the next motorists would see the price of gas at the pump increase by twenty one cents. The effect would be the same and their reaction would be the same. It is better to simply enact the best piece of public policy and stand on its merits.

In conclusion, if the goal of finding a source of revenue for the Transportation Trust Fund is to settle the issue for years to come, a sales tax is not the way, especially if it is collected at the pump. The volatility of the price of fuel is too severe for the State, the business community, and the motorist. Like so many other states, such a policy will create problems and complications, and in a few years we'll all be back trying to figure out ways to change the policy again.

Every year the state government will be faced with either fears of dramatic shortfalls or surpluses poisoned by immense public outcry. Moving forward, NJGCA looks forward to finding a way to alleviate the burden of a tax increase if it is possible, or to find other alternatives to fund our state's transportation needs.

¹ The data in the above chart was compiled by using the daily average price of regular gas at the Newark rack as provided by the Oil Price Information Service (OPIS), plus all current taxes and an estimated average of a 15¢ retail margin and 3¢ distributor margin.

² 5.45 billion is the average number of gallons of motor fuel sold per year going back to FY 2008.

³ Kathleen Pender, "California gasoline tax to jump by 3.5 cents a gallon July 1," *SFGate*, February 28, 2013, accessed November 16, 2014, <http://blog.sfgate.com/pender/2013/02/28/california-gasoline-tax-to-jump-by-3-5-cents-a-gallon-july-1/>

⁴ Michael Madowitz and Kevin Novan, "Why sales taxes and gasoline don't mix", *Washington Post*, February 23, 2013, accessed November 16, 2014, http://www.washingtonpost.com/opinions/why-sales-taxes-and-gasoline-dont-mix/2013/02/23/9a29a176-7c5a-11e2-a044-676856536b40_story.html

⁵ Tom Miller, "Gas tax legislation will mean higher taxes", *The Lincoln Journal*, accessed November 16, 2014, <http://lincolnjournalinc.com/gas-tax-legislation-will-mean-higher-taxes-p4309-87.htm>

⁶ West Virginians for Better Transportation, "Legislature Enacts Change to State's Wholesale Gas Tax, Stabilizes Road Funding", accessed November 16, 2014, http://www.keepwvmoving.org/WVBT/media/e-Newsletters/2009/WVBT_eNewsletter_Nov202009-1.pdf

⁷ Wes Clarke, Warren Brown, and Matt Hauer, "The Motor Use Fuel Tax in Georgia: Collection Efficiency, Trends, and Projections", Carl Vinson Institute of Georgia, The University of Georgia, December 2010, accessed November 16, 2014, <https://www.cviog.uga.edu/free-downloads/motor-use-fuel-tax.pdf>

⁸ CSP Daily News, "Georgia Governor Stops Gas-Tax Increase", *CSPnet.com*, June 5, 2014, accessed November 16, 2014, <http://www.cspnet.com/fuels-news-prices-analysis/fuels-news/articles/georgia-governor-stops-gas-tax-increase>

⁹ "Motor Fuel: Pricing Factors, Tax Structure and Other Related Issues Including the Commission's Response to House Resolution 0328", August 2011, accessed November 16, 2014, <http://cgfa.ilga.gov/Upload/2011AugustMotorFuelReport.pdf>

¹⁰ CSP Daily News, "Ill. Sales Tax Fraud Operation Nets \$100 Million" *CSPnet.com*, October 24, 2014, accessed November 16, 2014, <http://www.cspnet.com/industry-news-analysis/regulation-legislation/articles/ill-sales-tax-fraud-operation-nets-100>

¹¹ CSP Daily News, "California, Indiana Gas-Tax Changes Kick in Tuesday", *CSPNet.com*, June 27, 2014, accessed November 16, 2014, <http://www.cspnet.com/fuels-news-prices-analysis/retail-fuels-prices/articles/california-indiana-gas-tax-changes-kick>

¹² Assembly Budget Committee, "Statement to Assembly, No. 3014", June 24, 2010, accessed November 16, 2014, ftp://www.njleg.state.nj.us/20102011/A3500/3014_S1.PDF

¹³ Section 3 of P.L.1990, c.42 (C.54:15B-3), http://www.njleg.state.nj.us/2000/Bills/PL00/48_.PDF

¹⁴ Based on 5.45 billion gallons of fuel sold per year

¹⁵ "Blue Ribbon Committee on Highway Finance", December 1, 2010, accessed November 16, 2014, <http://www.arkleg.state.ar.us/bureau/research/Publications/Task%20Forces/Blue%20Ribbon%20Committee%20on%20Highway%20Finance/BRC-Final%20Report%2012-1-2010.pdf>

¹⁶ Institute on Taxation and Economic Policy, "Building a Better Gas Tax ", December 2011, accessed November 16, 2014, <http://www.itep.org/bettergastax/bettergastax.pdf>

¹⁷ "National Highway Construction Cost Index (NHCCI), *US Department of Transportation: Federal Highway Administration*, accessed November 16, 2014, <https://www.fhwa.dot.gov/policyinformation/nhcci.cfm>

¹⁸ "State Fees as Transportation Funding Alternatives", *US Department of Energy: Alternative Fuels Data Center*, accessed November 16, 2014, http://www.afdc.energy.gov/bulletins/technology_bulletin_2014_03_10.html

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