

Burlington County Times

NJ Coalition Continues Push for Transportation Funding

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By David Levinsky Staff writer

WILLINGBORO -- The leaders of a coalition pushing for a fix to New Jersey's nearly insolvent transportation funding system say they aren't advocating solely for a gasoline tax increase, but they believe lawmakers need to take some action soon in the interest of public safety and the state's economy.

"Our feeling is this is the single largest problem we have right now," said Tom Bracken, president of the New Jersey Chamber of Commerce, during a recent meeting with the Burlington County Times editorial board. "If we don't fix this, I don't think we can do anything about improving the economy or fixing the pension system."

Bracken is chairman of Forward New Jersey, a coalition of business, labor and transportation groups advocating for a solution to what they describe as a transportation infrastructure crisis involving the state's Transportation Trust Fund, which is the primary mechanism used to finance highway and transit projects.

The fund receives most of its revenue from the state's gasoline tax as well as some motor vehicle fees. But after decades of borrowing, all the money from the gasoline tax is now devoted to paying off debt from previous projects. Without an influx in new money, the state will be unable to finance new highway and bridge repairs or other transportation improvement projects.

New Jersey lawmakers and Gov. Chris Christie will likely need to devise a solution by July 1, which is the start of the 2015-16 fiscal year.

During his first term as governor, Christie kept the trust fund solvent by refinancing some of its debt and canceling the ARC Hudson River rail tunnel. But his administration has continued to add to the debt load by borrowing to pay for new transportation projects.

An estimated \$1.6 billion to \$2 billion in new revenue is required to keep the trust fund solvent and pay for new transportation projects, according to the coalition, which has presented a "menu of choices" to lawmakers for consideration.

Among the choices is an increase in NJ's gasoline tax, which at 14.5 cents/gallon is the second lowest in the nation, as well as extending the state's 7% sales tax to gasoline sales.

Some of the other options presented by the coalition include raising rental car fees and surcharges on poor drivers, dedicating all surplus Motor Vehicle Commission revenues to the

trust fund, and merging the New Jersey Department of Transportation and NJ Transit with the New Jersey Turnpike Authority.

Christie, who has railed against raising the gas tax in the past, recently said “all options are on the table” for replenishing the fund, and his administration’s new transportation commissioner, Jamie Fox, has said new revenue will be required.

Bracken said the coalition isn’t advocating for any specific solution, but he admitted that raising the gasoline tax or extending the sales tax to gasoline are the only two proposals that appear likely to generate the needed revenue.

“The bottom line is we have to fix this. We’re talking about the foundation of the economy for the entire state,” he said.

The New Jersey Gasoline-Convenience-Automotive Association, which advocates for the state’s gasoline stations and convenience stores, has come out strongly against extending the sales tax to gasoline, arguing that the fluctuating price of gas will make it difficult to predict revenues. Extending the sales tax to gas would also require retailers to collect and remit sales taxes, increasing the possibility of evasions, the association claims.

“It should be clear that the (association) does not desire any increase in the gas tax or any other tax for that matter. However, if lawmakers can’t find another source to replenish the (trust fund), then retailers prefer a simple increase of the present tax, rather than be faced with the accounting and administrative burden of adding a sales tax to gasoline and diesel,” said Sal Risalvato, the association’s executive director.

Bracken said the state’s transportation infrastructure needs are too great to put off and require a long-term fix.

He warned that if lawmakers allow the state’s infrastructure to deteriorate further, it will become more expensive to fix in the future and further hurt the state’s overall economy.

“If we don’t do this, the state of New Jersey will become even less competitive,” he said. “There’s no easy solutions, but this will help us become more competitive as a state.”