

## New Jersey Gas Tax Will Soon Be Sixth Highest in America

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On Friday October 7, lawmakers voted to raise the state tax on gasoline in New Jersey from 14.5 cents to 37.5 cents per gallon, as per the New York Times. Republican Governor Chris Christie is expected to approve the bill, which will then take effect on November 1 or 15 days after the Governor signs, whichever comes later. New Jersey currently enjoys the second lowest gas tax in the country. After the 23 cent per gallon hike, its gas tax will be the sixth highest in America. New York has the highest gas tax in the country, at 45 cents per gallon.

While the NJ gas tax will still be lower than that in New York and Pennsylvania, the Garden State may likely lose its status as a gas haven for its neighbors. Of course, the bill met abundant opposition from NJ residents, and bipartisan lawmakers. "This is the most dangerous bill that has ever been presented, certainly since the 39 years that I've been here," said Ray Lesniak, Democratic State Senator, who opposed the bill.

The New Jersey gas tax has not been raised for the past 28 years, since Ronald Reagan's presidency, and the state's transportation trust fund is running on empty. The transportation trust fund expired three months ago and all transportation projects were forced to shut down. "I'm happy to be a governor now who is going to be able to say that we have responsibly financed for a long period of time the longest period the state will ever see," said Governor Christie. CBS News reported, lawmakers say the new gas tax will pay for a \$32 billion injection of funds, over eight years, to begin rebuilding transportation in New Jersey.

The New Jersey bill, passed in the Democrat-led State Assembly and Senate, includes stipulations to slightly cut sales and estate taxes, as an appeasement. NJ Sales tax will decline from 7% to 6.875% and later to 6.625%. The New Jersey estate tax will change its threshold from \$675,000 to \$2 million in 2017, and be eliminated entirely in 2018. NJ's low income residents will receive a 35% instead of 30% earned-income tax credit. The measure will also exempt veterans from state income taxes in the Garden State.

Sal Risalvato, Executive Director of the New Jersey Gasoline Association, said that the state's transportation infrastructure requires major improvements. Still, he conceded that consumers will see a ripple effect in other purchases due to the higher gas prices. "It is inevitable for the price of groceries and all consumer goods to rise because of this gas tax increase," said Risalvato.

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