



NJ Legislature to vote Wednesday on 23-cent gas tax hike

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by **Maddie Hanna**, TRENTON BUREAU

New Jersey lawmakers are expected to vote Wednesday on whether to raise the state gas tax, but drivers might not need to rush out to fill up with the last of the cheaper gas just yet.

If it passes Wednesday, the 23-cent-per-gallon tax increase won't take effect until at least Nov. 1, according to Sal Risalvato, executive director of the New Jersey Gasoline-Convenience-Automotive Association.

Risalvato, whose association represents independent gas station owners, said he was notified Tuesday that the legislation would specify that the tax would go into effect 14 days after Gov. Christie signed the bill authorizing the increase or Nov. 1, "whichever is later."

He noted that market factors could cause prices to rise or fall prior to the increase kicking in. "Whatever the marketplace produces between now and Nov. 1, that's the price. Add 23 cents to that," he said.

Christie and legislative leaders announced late Friday that they had struck a deal on raising New Jersey's gas tax - the second-lowest in the country - to replenish the Transportation Trust Fund. The five-year authorization for transportation funding expired June 30, as the governor's office and the Legislature sparred over cuts to other taxes.

While increasing the gas tax from 14.5 cents to 37.5 cents per gallon, the deal announced Friday by the Republican governor, Senate President Stephen Sweeney (D., Gloucester), and Assembly Speaker Vincent Prieto (D., Hudson) would cut a number of other taxes. By Jan. 1, 2018, the estate tax would be phased out, while the sales tax - currently 7 percent - would drop three-eighths of a percentage point.

Christie - who said during a quickly called announcement Friday that the deal represented "tax fairness" - had pushed to cut the sales tax by a full percentage point. But Senate lawmakers objected to a potential \$1.9 billion hole the cut would have left in the state budget.

By contrast, the deal announced Friday - which also includes tax cuts on retirement income for seniors and a boost in a credit for the working poor - would result in more than \$1.3 billion in lost revenue by 2021, according to an Office of Legislative Services analysis.

Senate Democratic staff noted that \$350 million in revenue that has been going into the transportation fund would be freed through the deal.

Though Sweeney backs the legislation, it will require support from beyond the Democratic caucus to clear the Senate during its 10 a.m. session Wednesday, when lawmakers are expected to consider amendments to prior gas tax legislation that would have cut the estate tax but not the sales tax.

If the Senate wants to amend a bill and pass it the same day, at least 30 of the chamber's 40 members must agree that it is an emergency measure. Democrats have a 24-16 majority.

Not all Democrats are on board. Raymond J. Lesniak of Union County said he would not vote for the legislation, objecting to a "tax cut for our wealthiest residents" and calling for the gas increase to be phased in.

On the other side of the aisle, Kip Bateman, a Republican from Somerset County, said he would vote against the legislation, calling the tax increase "too much, too fast."

The Assembly has a voting session scheduled for noon Wednesday.

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