



Prices at the pump expected to rise as NJ gas tax hike takes effect

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By *Joe Hernandez*

A 23-cent hike in the N.J. gas tax went into effect Tuesday, which experts say will cause a surge in traditionally cheaper petroleum prices in the Garden State.

"My bet is that [drivers] will see a 23 percent increase when they pull into the gas station," said Sal Risalvato, executive director of the New Jersey Gasoline, Convenience Store and Automotive Association.

New Jersey officials increased the gas tax to help bankroll the state's Transportation Trust Fund, a pot of money used to pay for transportation and infrastructure projects such as road and bridge repairs.

The fund ran out of cash over the summer, so Republican Gov. Chris Christie and Democratic lawmakers agreed on the gas tax hike in late September as part of a package that also included various tax cuts.

"We are prepared to accept the bitter bill," said Risalvato, "in exchange for not having to swallow a more bitter pill at a later date because the can got kicked down the road again."

Although drivers who fill up in New Jersey will have to pay a few more cents at the pump, gas prices in the Garden State may remain below — if not far below — gas prices in neighboring states.

The 37.5-cent tax in the Garden State is still less than the 43-cent tax in New York and the 51.4-cent tax in Pennsylvania, according to the American Petroleum Institute.

At 23 cents per gallon, Delaware's gas tax is the lowest in the region.

But the increase may drive away motorists used to filling up in New Jersey before crossing state lines.

"I have a hunch that this is probably going to cut into folks who fill up on the [New Jersey] Turnpike or the [Garden State] Parkway on their way from Connecticut or New York to some of the other states," said Tom Kloza, global head of energy analysis for Oil Price Information Service in Wall.

One of the Nov. 8 ballot questions put to state voters this year asks whether gas tax revenue should be limited to funding transportation and infrastructure projects and nothing else.