



Our view: Murphy should stop vicious circle of gas tax increases

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Starting Monday, New Jersey motorists will pay a state tax on gasoline of 41.4 cents per gallon — a 10 percent increase less than two years after the state raised the tax 23 cents a gallon.

The tax hike ordered by Gov. Phil Murphy's administration will leave Garden State drivers paying the fifth-highest gas tax in the nation. For decades prior to 2016's bipartisan agreement to dramatically increase the tax to better fund the Transportation Trust Fund, state motorists enjoyed the second-lowest gas tax. That was the only major tax break for residents, who overall are the third most taxed among the 50 states (behind New York and Connecticut).

The Murphy administration, in announcing the new gas tax increase, tried to make it seem like it had no choice under the 2016 law, which calls for perpetual increases to ensure it collects at least \$2 billion a year even when gasoline sales fall. But in the same breath, administration officials said former Gov. Chris Christie should have raised the gas tax about 2 cents a gallon last year and didn't.

Murphy wants the tax increase for its revenue, and perhaps in part to push people out of the large vehicles they prefer and into smaller and electric ones. He also wants to take back the cut in the state sales tax that was among the tax offsets Christie demanded for agreeing to the Democrats' proposal in 2016 to increase the gas tax.

The need for road, bridge and mass transit capital projects has been used to justify the gas tax increases. Yet in June, Democratic leaders diverted \$50 million in transportation capital reserves to help subsidize the operating budget of NJ Transit.

State leaders quietly made automatic increases part of the 159 percent gas tax hike two years ago, figuring people would buy less gas if it cost more. But because New Jersey fuel is no longer a bargain compared to other states, visitors and truckers are no longer filling up here by choice. Sal Risalvato, executive director of an association that represents New Jersey gas stations, said sales along the New York border and near the Delaware Memorial Bridge have fallen much more than expected.

Risalvato said the annual gas tax increases drive a vicious circle — fewer customers buy less gas, which causes the state to raise the tax to get the same revenue, which reduces sales further.

With automatic increases, eventually New Jersey drivers will pay the highest gas tax and the highest prices for gasoline nationwide. The working poor and even the middle class will be pressed to limit their vehicle use to only what is necessary.

Instead of endlessly increasing the gas tax, Gov. Murphy should work with the Legislature to stop the vicious circle.

Whenever state government wants to raise gasoline taxes, it should have to demonstrate that the money is needed and not being diverted to general spending.

Murphy pursues many progressive policies, but automatically increasing the cost of gasoline is about as regressive as tax policy can get. He should stop it or at least be honest in his justification for it.