



Another gas tax hike — and some new taxes, too

Leah Mishkin, October 1, 2018

New Jersey motorists weren't happy taxes on gasoline sold in the state went up 4.3 cents per gallon.

“What happened to the tax that was adjudged to us before that was supposed to be enough to take care of the situation at that time?” asked Cranford resident Ron.

In 2016, the state approved a 23-cent per gallon increase to repair failing roads and bridges. The Treasury Department says when it went into effect, people were buying more gas because it was cheaper.

But now, with the price per gallon up and consumption back to normal, they say they were forced to raise the gas tax again to hit their \$2 billion target for the infrastructure projects.

“We already pay enough stuff in taxes, but if it's going to get the job done for the roads then do what you got to do,” said Cranford resident Zach Jones.

Industry expert Sal Risalvato is worried this could impact fuel merchants in the state who already took a hit a few years ago.

“My fear is that this is going to cause a further erosion of the tax difference between New York and New Jersey, which will further erode the volume in New Jersey and create the need for an increase in tax next year and the year after,” said Risalvato in a statement.

The Treasury Department says as long as gas prices and consumption stay stable, there shouldn't be continual hikes.

“That’s all bull. They knew they were going to do this but they couldn’t give us 30 cents in one shot, so they give us a little bit then, a little bit. Now watch, next year there’s going to be more,” said Cranford resident Don Sweeney.

“That seems like a little unfair situation because you can’t control people’s consumption,” said Ron. “They should have better managed their money. We have to do it at home.”

Buckle your seat belt because that’s not that’s not the only new tax now in effect. This week, the state added a 10-cent per milliliter tax on nicotine liquid for e-cigarettes. To put that into perspective, last week the price of a Juul Pod four-pack was \$15.99. Now, it’s \$16.27 — a 28-cent increase.

There’s also new sales and occupancy taxes on short-term rentals booked online. So a \$200 a night Airbnb rental will now cost you about \$23 more. If you stay a full week, your \$1,400 rental will now cost you close to \$163 more.

But the Treasury Department says the e-cigarette tax will generate about \$17 million for the state and the transient accommodations tax on short-term online rentals is estimated to raise \$15 million.

The state will now also collect money from an expanded online sales tax that will generate an estimated \$212 million.