

Burlington County Times

Some NJ lawmakers coming around to gas tax increase

By David Levinsky
March 24, 2014

For two decades, the idea of raising New Jersey's modest 14.5-cent gasoline tax has been considered a taboo subject by most state politicians.

But coming off one of the most damaging winters in recent memory, and with the state's transportation funding source maxed out on debt, some lawmakers have begun speaking out in favor of the idea.

Assembly Speaker Vincent Prieto voiced support for increasing the tax during an interview with the Newark Star-Ledger's editorial board last month. And just last week, state Sen. Ray Lesniak, chairman of the Senate Economic Growth Committee, introduced a bill that seeks a 15-cent increase in the tax over the next three years. Such a hike would raise about \$250 million more a year for road and bridge repairs and other transportation projects, while costing most motorists less than \$100 annually.

"The state's transportation infrastructure is collapsing. The roads have been neglected for years, and the harsh winter left a landscape of potholes that are damaging and dangerous. This has a severe impact on our quality of life and the state's economy," Lesniak, D-20th of Elizabeth, said last week.

Lesniak may be one of the most influential lawmakers in Trenton, but his proposal still faces huge hurdles, not the least of which is opposition from Gov. Chris Christie, who repeatedly has promised to veto any tax increase that comes across his desk.

Recent opinion polls show public sentiment also is still steadfast against the idea.

A Rutgers-Eagleton poll released earlier this month found that 68 percent of New Jersey adults are opposed to raising the tax, including 65 percent of registered voters.

Results from a recent Fairleigh Dickinson PublicMind poll were even more lopsided, with 72 percent of registered voters against a gas tax increase.

David Redlawsk, director of the Rutgers-Eagleton polling institute, said New Jerseyans' reluctance to support the increase is likely a reflection of the state's other tax burdens.

"New Jerseyans don't want to pay higher taxes, period," Redlawsk said. Transportation advocates argue that residents might feel differently if they have more information, an idea backed up partly by some of the poll results.

When informed that New Jersey has one of the lowest gas taxes in the nation (second behind Alaska) and that it hasn't been raised in more than 20 years, support for the increase among adults rose 11 percent to 38 percent and opposition decreased to 60 percent, according to the Rutgers-Eagleton poll.

"The details matter. Knowing the context - that our tax is relatively low and stable - people are somewhat more willing to consider an increase to address road maintenance and improvement," Redlawsk said. "But it's still not enough to overcome an intense dislike of more taxes."

Jenna Chernetz, New Jersey advocate for the Tri-State Transportation Campaign, a nonprofit group that advocates for transportation improvements in New Jersey, New York and Connecticut, said that might change if more residents understood the funding crisis the state faces, as its transportation trust fund inches closer toward bankruptcy.

The fund, which is the primary mechanism the state uses to finance highway and transit projects, receives most of its revenues from the gasoline tax as well as some motor vehicle fees. But after decades of borrowing, all the gasoline tax revenues are now needed to cover the fund's debt payments.

Christie has kept the fund solvent by refinancing some of its debt and by canceling the ARC Hudson River rail tunnel, but his administration has continued to add to its debt load by borrowing to pay for transportation projects.

Unless additional revenues are added, the fund could become insolvent and the state will be unable to pay for new transportation projects

"Nobody wants to be the person to raise taxes in a state that is already so heavily taxed, but it needs to be done," Chernetz said Friday. "Come 2016, we're really going to be in bad shape." Some argue that New Jersey already is in dire straits, given the condition of its roads and transit system.

A report last year by the American Society of Civil Engineers claimed 55 percent of the state's roads were in poor or mediocre condition. Ten percent of its bridges were rated structurally deficient.

Delaying repairs is not without consequences, according to the engineers, who estimated that driving on damaged roads costs most New Jersey motorists on average \$601 a year in repairs and traffic delays.

By comparison, Lesniak and transportation advocates said that raising the gas tax will cost motorists less than \$100 annually, and that about 40 percent of the new tax revenue will come from out-of-state drivers.

"People are going to be paying either way. I think most would rather pay less to make repairs than more to not make them," Chernetz said.

She said that raising the gas tax is a "proven way" to increase revenue for transportation, but that the Tri-State group is open to other methods, including private partnerships and changes at rest stops to raise more money.

"We need to have a larger conversation. Most of what we've heard so far is no to the gas tax, but we're encouraged that there now seems to be some interest in talking about it and other possible solutions," she said.

Opponents counter that increasing even a comparatively low tax is not the answer.

"In all my years as a gas station owner, an association executive and a political enthusiast, I have not heard one convincing argument that taxes in New Jersey are too low," said Sal Risalvato, executive director of the New Jersey Gasoline, C-store and Automotive Association.

The trade group argues that increasing the tax would drive up costs to all consumers and also hurt gas stations and convenience stores, particularly those near the border that receive substantial business from out-of-state customers attracted by New Jersey's lower gas prices.

"Taxes in New Jersey are too high already - some of the highest in the nation," Risalvato said. "Our current, relatively low, gas tax is one of the only breaks that New Jersey citizens get, and we should be fighting to protect it."

Chernetz and Lesniak said that raising any tax is never easy, but that the state's transportation needs are too great to ignore.

"We have to identify a means to repair the damage that has already been done and to better support a transportation system that serves the needs of motorists and the economy in the years ahead," Lesniak said. "The longer the problem is neglected, the worse it will get."