



New Jersey Gasoline, C-Store, Automotive Association (NJGCA)
(Formerly New Jersey Gasoline Retailers Association)
4900 Route 33 West, Suite 100
Wall Township, NJ 07753

FOR IMMEDIATE RELEASE

Contact: Sal Risalvato
Executive Director
732-256-9646 office
201-745-1914 cell

August 28, 2020

Huge Fuel Tax Increase a Huge Mistake

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience, Automotive Association (NJGCA) issued the following statement regarding the Treasury's announcement that the tax on gasoline and diesel motor fuel will be increased by 9.3¢ a gallon starting on October 1st:

"This sharp increase in the tax on motor fuels means that our tax rate will leapfrog ahead of New York's and shrink our advantage over Pennsylvania to just a few cents per gallon. The effect will be that even more motorists will make their fuel purchases out of state, hurting small businesses and cutting state revenues further, which will lead to even more tax increases in the future.

Before 2016, total gas taxes in New Jersey were 14.5¢ a gallon, since the passage of the gas tax increase four years ago, prices will have gone up 13.6¢ a gallon without a single vote by the people's elected representatives.

When the increase formula was added to the funding bill in 2016, it was pitched mainly as a mechanism to keep funding on track with inflation, and that the total increase over the full eight year period would only be a few cents a gallon. We are only halfway through the current funding authorization and have already seen double digit increases. How much more will it be increased over the next 4 years? In that time period we have seen New Jersey's gas tax go from the second lowest in the nation to now the fourth

highest.

We must consider all options to lower the price motorists pay for gasoline or else we will have paved roads that no one can afford to drive on. Most gas stations are owned and operated by small business owners, and they have already been struggling to survive these huge drops in sales. I fear that this increase may prove to be the death knell for several stations near the border.

The increase will also hurt our essential workers, who still must drive to work every day to provide critical services. It is up to the Legislature to suspend this increase in the immediate term, and to find new ways to fund our infrastructure investments in the long-term, since it is now abundantly clear that relying on fuel taxes is a failed model.

With this increase we will have the 4th highest gas tax in the nation; over 7¢ a gallon higher than New York and 27.7¢ more than Delaware. We will also have the 4th highest diesel tax, more than 14¢ a gallon higher than New York and 35.8¢ a gallon more than Delaware."

The New Jersey Gasoline, Convenience, Automotive Association (NJGCA) is a nonprofit trade association representing nearly one thousand motor fuel retailers across the state of New Jersey.

#####