

March 20, 2013

TO: THE PEOPLE OF LEGISLATIVE DISTRICT 8

GOVERNOR WILL NOT GIVE UP ON A GAS TAX INCREASE

The word around Annapolis is that the Governor has the votes he needs to pass his gas tax increase. Well, we will soon see if that's true. I hope he's not counting on my vote, because he doesn't have it. **I will not vote for this or any other gas tax increase proposal.**

On the last day that bills could be introduced in session, Governor O'Malley submitted his version of a gas tax increase. The bill is complex and convoluted and has been called "the ultimate shell game."

First, the bill reduces the current excise tax on a gallon of gasoline from 23.5 cents to 18 cents. However, before you get too happy about a decrease in the price of gas at the pump, you should know that while the bill lowers the excise tax on gas, it simultaneously ties the excise tax to the Consumer Price Index (CPI). This would assure that the excise tax and thus the per gallon price will rise automatically with inflation. Yes, unfortunately it will rise automatically without a vote of the legislature. Our income does not rise automatically with inflation, so why should our taxes rise automatically?

According to the Governor's gas tax proposal, the state gas tax will rise 2 cents this July 1. In July 2014, the cost of gas per gallon will jump 7 cents more. And it will increase by another 7 cents in July 2015 unless Congress approves the federal Marketplace Equity Act. If the Act becomes law, states will be allowed to use Internet tax revenue for transportation projects and the July 2015 increase will not be necessary. The plan will raise \$3.4 million for transportation over five years.

In addition, the Governor's proposal will tie Maryland Transit Administration fares to inflation and raise the basic bus, subway and light rail fares from today's \$1.60 to \$1.70 next year and an additional 10 cents three years later.

I am sure the Governor is aware that polls show 73% of Marylanders are opposed to a gas tax increase. You can count me as one of that 73%. I know that we need additional transportation revenue to build a 21st century transportation network. However, I am also aware that the people I represent cannot bear another Maryland tax increase. With gas at the pump nearing \$4.00 per gallon, it is unconscionable to increase the state gas tax a possible 16 cents per gallon and then make future tax increases automatic by tying them to inflation.

Please do not hesitate to contact me regarding this or any other legislative issue of concern to you. I continue to encourage and welcome your input.