

# Some Pa. legislators want to suspend the gas tax. How much difference would it make?

<https://www.dailyamerican.com/story/news/2022/03/14/pennsylvania-may-lower-gas-tax-amid-soaring-pump-prices/6999062001/>



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The Daily American

Pennsylvania's 57.6-cent-a-gallon gas tax is the highest in the nation, just ahead of California's.

Amid soaring gas prices that have hit record highs, some lawmakers in the commonwealth are proposing to suspend the tax.

**When will gas go back down?:** When will the cost go down? Somerset area residents show concern about gas price spike.

"In the past several days, we have seen gas prices skyrocket to historic levels," Pennsylvania Senate President Pro Tempore Jake Corman, a Republican running for governor, said in a memo seeking co-sponsors for the legislation. "We must do all that we can to address this now at the state government level and offer our support to hard-working families."

Corman said he's introducing legislation for a roughly one-third reduction through the rest of the year. The lost gas tax revenue would be offset by directing \$500 million of federal COVID-19 relief aid to state police and issuing \$650 million in bonds to ensure infrastructure projects remain funded.

This bill would reduce the per-gallon price by 20 cents through the end of the year. Pennsylvania Gov. Tom Wolf and other governors are asking the federal government to suspend its gas tax, which is 18 cents per gallon.

“Like most Americans, Pennsylvanians are grappling with rising gas prices as they navigate paying for other household needs, from their rent or mortgage to groceries and other necessities,” Wolf said. “A federal gas tax holiday would ease some of that pain on Pennsylvanians’ wallets without impacting important infrastructure projects that are funded through the federal Highway Trust Fund.”

If both propositions were to pass, some would see gasoline prices below \$4 again.

## **Maryland suspends gas tax for 30 days**

For Somerset County residents living near the Maryland border, the neighboring state might be a more attractive option after Gov. Larry Hogan agreed to suspend the state's 37-cent gas tax for 30 days.

### **Maryland suspends gas tax: Gov. Larry Hogan, top lawmakers agree to 30-day gas tax suspension**

The agreement was announced after state officials said Maryland's revenue projections have jumped an additional \$1.6 billion for the current and next fiscal years as a result of the huge federal aid to address the coronavirus pandemic.

“Increased revenue projections for this year and next year give us the flexibility to provide immediate relief to families,” House Speaker Adrienne Jones and Senate President Bill Ferguson said in a joint statement. “This swift action will help ease the financial burden on everyday Marylanders while keeping the pressure on Vladimir Putin and the Russian oligarchs who have enabled him.”

If the federal gas holiday plan comes to fruition, Maryland pumps could see prices decrease by 55 cents.

## **Why are gas prices so high?**

There are a few factors contributing to the increase, but the main reason is the Russian invasion of Ukraine.

Patrick De Haan, head of petroleum analysis at fuel-savings app GasBuddy, told USA Today last week the sanctions put on Russia by the U.S. and European Union severely impacted Russia's ability to sell crude oil, one of the biggest determiners for gas prices. Since the country is one of the biggest energy suppliers, crude oil prices have dramatically risen.

The cost for a barrel of crude oil had ups and downs on Monday. A barrel of U.S. crude oil settled at \$119.40 per barrel, up 3.2%, after earlier touching \$130.50. Brent crude, the international standard, settled at \$123.21 per barrel, up 4.3%, after earlier topping \$139, the Associated Press reported.

## **How long will gas prices be high?**

Gasbuddy projects the worst is yet to come for when looking at average prices.

Gasbuddy's 2022 gasoline forecast predicts the national average cost of a gallon of gas will peak in May at \$4.25. Even as prices begin to decline after May, the average is expected to remain over \$4 until November. The average for 2022 is expected to be \$3.99.

On Tuesday, U.S. President Joe Biden announced that America will ban all imports of Russian oil, natural gas and coal.

"Russian oil will no longer be accepted at U.S. ports," the president said in remarks Tuesday at the White House. "We will not be part of subsidizing Putin's war."

Though Russia doesn't export much oil to the U.S., the ban is expected to drive up prices that have already soared at the gas pump.

"In the short term, you're going to see prices definitely go up," energy expert Gianna Bern said. "How much, it remains to be seen, and where and how the void gets filled."

But Bern — a finance professor at the University of Notre Dame's Mendoza College of Business and author of "Investing in Energy" — called the ban "the biggest opportunity to make a dent in" Russia's coffers.

"The oil and gas imports that have been coming into the United States needed to be addressed," she said.

The Biden administration has also released oil from the Strategic Petroleum Reserve to ease prices, and has also been talking with large oil producers and suppliers around the world about how to mitigate the impact.

In 2021, the U.S. imported about 700,000 barrels per day of crude oil and petroleum from Russia, according to the White House. The Europeans imported about 4.5 million barrels per day of oil.

*USA TODAY assisted with this article.*

# Analysts: Pennsylvania has the worst roads and one of the highest gas taxes

<https://www.dailyamerican.com/story/news/local/2021/03/21/analysts-pennsylvania-has-the-worst-roads-and-one-of-the-highest-gas-taxes/115847102/>

The Daily American

As spring makes its return, road crews will soon be out placing cones, shutting down streets and filling in the potholes wrought by the winter.

And in Pennsylvania, those potholes are more prevalent and more costly to motorists and taxpayers.

According to QuoteWizard, an online car insurance marketplace, Pennsylvania has the worst roads in the country and one of the highest gas taxes.

“It’s costing every driver in the state hundreds of dollars every year,” said research analysts at QuoteWizard. “Deteriorating roads cost Pennsylvania drivers \$610 a year, compare that with the national average of just \$556 per motorist. Meaning that Pennsylvania drivers are paying more and getting less.”

Poor road conditions lead to more car repairs for brakes, tires and other parts. According to QuoteWizard, those repairs amount to nearly \$120 billion in the U.S. annually.

“Drivers in some states are paying over \$800 a year, and our team of analysts at QuoteWizard found that between 25 — 50% of their roads are in poor condition,” said Nick VinZant senior research analyst and insurance expert with QuoteWizard.

Pennsylvania also pays one of the highest state gas taxes at 58.7 cents per gallon, as of 2020. Only California is higher at 60.6 cents.

And, according to the Pennsylvania Department of Transportation, those gas taxes aren't paying the bills.

According to PennDOT, the cost to repair all of the state's highways and bridges would be \$15 billion annually. The state receives about \$6.9 billion from revenue sources, including 74% from gas taxes, 17% from vehicle fees and 9% from federal funds.

PennDOT said the federal gas tax of 18.4 cents per gallon hasn't been raised since 1993.

“To put this in perspective, an average cup of coffee was 75 cents then and now costs about \$1.59,” PennDOT's website says. “Inflation caused the cost of a cup of coffee go up. and it also raised the cost of construction materials. In fact, the cost of construction materials has gone up 140% over the past 30 years. As a result, the Federal Highway Trust Fund does not provide the funding that is needed for national infrastructure.”

And COVID-19 hasn't helped the situation, according to PennDOT.

“People are using less gas. Fuel efficiency is great for the environment and our pockets. But this means we are collecting less gas-tax revenue,” PennDOT said.

Travel dropped 40% when the pandemic started last year and some estimates say travel has stayed down 15%.

“PennDOT estimates that gas tax revenue is down nearly \$500 million since last year, with losses still occurring,” the website says.

# Guest editorial | 'Gas tax refund' giveaway presents big, inequitable hit to state budget

[https://www.tribdem.com/news/editorials/guest-editorial-gas-tax-refund-giveaway-presents-big-inequitable-hit-to-state-budget/article\\_723c82d8-e72a-11ec-9c22-eb6b6b5ae636.html](https://www.tribdem.com/news/editorials/guest-editorial-gas-tax-refund-giveaway-presents-big-inequitable-hit-to-state-budget/article_723c82d8-e72a-11ec-9c22-eb6b6b5ae636.html)

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The following editorial appeared in the Philadelphia Daily News/Inquirer. It does not necessarily reflect the opinion of The Tribune-Democrat.

A rebate proposal by the Democratic candidate for governor leaves too many families behind.

The day after Memorial Day – when many drivers have just spent a portion of their paychecks on gas for holiday weekend getaways – might be an inopportune time to weigh in against an idea that would take some of the sting out of paying at the pump. But when a policy proposal is this concerning, it must be done.

Josh Shapiro, the Democratic candidate for governor, has put forth a plan to offer what he calls “a gas tax refund” of \$250 per car (up to a max of four cars) to each family in the commonwealth.

The spirit behind Shapiro’s proposal – showing solidarity with Pennsylvanians who are struggling to cope with higher prices – is laudable. But his plan misses too many needy families, while also sending a disproportionate amount of money to the state’s top income earners.

According to census data, more than half a million Pennsylvania households are without cars. While gas prices might not be taking the same bite out of their budgets, those households still face rising costs in rent, energy and food, just like the state's motorists.

Car-free households also typically have fewer financial resources to begin with: The average income of car-free households in Pennsylvania is just over \$20,000 a year, less than a third of the state's median income.

Unlike the half a million families who will get nothing from Shapiro's plan, the 300,000 families who report having four or more vehicles will get \$1,000. While car-free households hover near the poverty line, the median income of households with at least four cars is \$120,000.

Beyond the unequal distribution of money, it represents a significant expense for the state. There are more than eight million registered vehicles in Pennsylvania, which translates into a top cost of \$2 billion. That total could represent more than 5% of the total budget expenditure for Shapiro's first year in office, if he is elected in November.

While the state does have a budget surplus, it also has significant needs. Philadelphia has toxic schools and record gun violence. Rural Pennsylvania schools also have significant financial difficulties. Every dollar spent on this political gimmick would be a dollar not spent on other important priorities.

Shapiro's plan is better than Republican proposals to cut or suspend the gas tax, a move that detractors fear would simply transfer money from state coffers to the bank accounts of oil companies. But many of the same



criticisms that have been leveled against a gas tax suspension also apply to Shapiro's rebate plan. For example, Shapiro has yet to identify a source to make up for the lost revenue.

It is unlikely that Shapiro will change his mind on a proposal that he's made such a major part of his campaign, but it is essential that he at least consider ways to temper the damage. Limiting the proposal to two cars, for example, could save hundreds of millions of dollars.

Also needed is a fairer benefit for zero-car households.

In other states, relief proposals have included benefits to transit riders. In California, for example, Gov. Gavin Newsom is providing those who use public transportation with \$750 million in subsidized fares.

According to the Philadelphia Transit Riders Union, providing subsidized transit to low-income riders statewide would cost just \$90 million.

Given the stakes of this election, it is not surprising that Shapiro would reach for any advantage to ensure a win in November. Still, taking the opportunity to make this proposal fairer and include more Pennsylvanians is the right thing to do.