

*United States Senate*  
*Committee on Finance*



*Sen. Chuck Grassley · Iowa*  
*Ranking Member*

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MEMORANDUM

To: Reporters and Editors  
Re: Gas tax increase  
Da: Friday, Jan. 11, 2008

According to media reports, a public-private panel next week will recommend increasing the federal gasoline tax as part of long-awaited recommendations on revamping surface transportation financing. A majority of the 12-member National Surface Transportation Policy and Revenue Study Commission reportedly will sign off on raising the 18.4 cents per gallon tax. Sen. Chuck Grassley, ranking member of the Committee on Finance, with jurisdiction over taxes, made the following comment on the prospect of raising the gas tax.

“This is a disappointment and probably even a big waste of tax dollars. A special commission came up with an old, cold, bad idea. We have economists saying the increase in energy costs is adding to recession concerns, while this commission reportedly will say we should add to those concerns. And the commission apparently isn’t even following its mandate, which was to come up with ‘non-tax’ alternatives to the long-term financial stability of the highway trust fund. Raising the gas tax puts the brunt of the long-term trust fund expenses on automobile drivers, when diesel trucks and other heavy vehicles also use the highways. Also, the new law on the CAFE standard might increase the price of all automobiles to the consumer, so consumers could face a double hit. They might drive less, but they wouldn’t be adding to the highway trust fund, which was the commission’s mission. I hope there are more creative ideas in the commission’s report than a gas tax increase. The nation needs innovative ways to meet energy needs without sinking the economy.”