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THE GAS TAX RELIEF
AND EARMARK MORATORIUM ACT OF 2008

INTRODUCED BY REPRESENTATIVE PAUL D. RYAN
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SUMMARY

This legislation provides American families and businesses a 3-month gasoline tax holiday. It also replenishes the Highway Trust Fund for the revenue lost from the gas tax holiday, and fixes its projected fiscal year 2009 shortfall, ensuring there is no disruption or slowdown in highway investments. The bill more than offsets these costs with a 1-year moratorium on earmarks, and uses the additional savings to reduce the deficit.

KEY POINTS

- Provides a Gasoline Tax Holiday. The bill suspends the Federal 18.4-cents-per-gallon gasoline tax from Memorial Day through Labor Day to help Americans with gasoline prices through the high-demand summer months. Only in Washington would someone call such tax relief "small," when prices for gasoline and diesel fuel are at record highs.
Eliminates Earmarks This Year. Surely Congress can afford to give up pet projects for 1 year to help Americans with gasoline costs. Therefore, consistent with the Kingston-Wolf bill, the legislation imposes a moratorium on earmarks for this year, saving \$14.8 billion. The savings are used to prevent shortfalls in the Highway Trust Fund (see below), and to reduce the budget deficit.
Strengthens the Highway Trust Fund. A portion of the earmark savings reimburse the Highway Trust Fund for any revenue lost from the tax holiday. The legislation also makes up for a trust fund shortfall projected to occur in fiscal year 2009, assuring there will be no disruption in Federal funding for transportation projects for the forthcoming year.
Reduces the Deficit. The budget deficit is expected to more than double this year compared with last year. The remaining earmark savings from this legislation will help reduce the Federal Government's red ink.