

House Republican Press Release

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REP. FREY: FINALLY LEGISLATURE WILL PROVIDE GAS TAX RELIEF



“July 1st Gas Tax Increase to be Halted”

RIDGEFIELD- Rep. John H. Frey hailed the decision by the Governor and the legislature to stop the July 1st gas tax increase as Connecticut already pays the highest prices in the nation for gasoline. Rep. John H. Frey, along with the House Republican caucus, for two months have implored the legislature to act and stop this proposed increase in gas taxes.

Connecticut motor fuels taxes are set to increase again as scheduled on July 1. The Connecticut Independent Fuel Dealers Association, have estimated that by canceling the tax increase, consumers could save as much as five cents per gallon.

The average price of gasoline in Connecticut has risen above \$4.25, while gasoline across the border in Massachusetts and New York recently has been as low as \$3.90 per gallon.

“When the Gross Receipts Tax was first approved, it was meant to fund transportation initiatives. When it was raised a few years ago as part of an historic transportation spending bill, the wholesale price per barrel was \$30. Now, it is approaching \$150 per barrel and that has resulted in an unexpected windfall to the state,” Rep. Frey said. “Unfortunately, all the money is not being used for transportation purposes; \$188 million was transferred to the general fund last year. It makes sense to cancel the proposed tax increase and I am happy to see that it will be adopted.”

“Some people have argued that any reduction in gas tax rates would be insignificant,” said Rep. Frey. “I argue that any reduction in gas tax rates puts more money in the hands of people who need it.”

“This is the number one issue where people are asking me to help find a solution,” Rep. Frey added. “We can, and should, address this issue immediately. The public has spoken loud and clear. I am glad the Democratic controlled legislature heard their voice and will allow a vote on this gas tax proposal. Proposals should never get summarily dismissed just because it is a Republican or a Democrat initiative.”

Connecticut fuel taxes are scheduled to rise as follows:

- Two state taxes on gasoline combined go from about 61 cents a gallon to about 65 cents a gallon (on top of 18.4 cents federal gasoline tax.)
- A state tax on diesel fuel goes from 37 cents a gallon to 44.7 cents a gallon (on top of 24.4 cents federal diesel tax).

Rep. Frey has proposed freezing Connecticut's gasoline taxes so that an increase would not take effect, and therefore provide some measure of relief to Connecticut families. He had co-sponsored legislation in the regular session that ended in May that would have canceled the scheduled tax increase.

"Some people simply have no choice but to drive to work," said Rep. Frey. "Connecticut does not have to have the highest taxes in the nation. The legislature can take action to make Connecticut more affordable so more people will want to live, work and retire here."

Rep. Frey has supported an alternative state budget that meets the needs of the state's citizens while holding down taxes. The majority in the legislature opposed this budget alternative.