

# Could falling gas prices provide cover to pump up the N.J. gas tax?

## N.J. Gas Taxes

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**WOODBIDGE** — Chris Rodriguez was gassing up his 2009 BMW M3 at the Garden State Parkway's Colonia Service Area when he was asked whether a 35-cents-a-gallon drop in gasoline prices since Oct. 1 made him more open to a gas tax hike to help fix the state's potholed rolls.

"No," said Rodriguez, 25, a medical technician who lives in Union County, adding that he only gets about 20 miles per gallon from his little black Beemer. "I wouldn't approve of it."

But lawmakers, transportation experts and others say [falling gas prices](#) could help pave the way for the first hike in the state's politically sensitive gas tax since 1988.

"Obviously, when gas prices are lower, it's easier to have this conversation," said Cathleen Lewis, a spokeswoman for AAA of New Jersey, which supports a gas tax to help fix the state's crumbling roads and bridges.

Lewis is among witnesses scheduled to testify Thursday in Camden at a hearing of the Assembly Transportation, Public Works and Independent Authorities Committee, which is weighing a gas tax to replenish the state Transportation Trust Fund, an account that funds road, rail and bridge projects and maintenance, and provides transportation aid to counties and municipalities.

Gasoline taxes are already the single biggest revenue source for the trust fund, at \$731 million in the current fiscal year, followed by \$516 million from the state sales tax. But lawmakers say more money is needed as the trust fund approaches a point next year when it will only be able to finance debt on past projects, with no more cash for new work.

Lewis said the past month's big drop in prices — to \$2.81 a gallon on Monday, from \$3.16 on Oct. 1 — would more than offset even a hypothetical high-end gas tax hike of 30 cents per gallon being used for discussion purposes by the transportation committee. The steep price drop, from \$3.57 a gallon in July, is attributed to weak global demand combined with abundant supplies.

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The chairman of the transportation committee, Assemblyman John Wisniewski (D-Middlesex), said the price drop, "certainly defies the statement that 'Gas prices are already expensive enough and it would be inappropriate to add any more onto that.'"

After a 2.5-cent increase in the gas tax 26 years ago, New Jersey's gas taxes now total 14.5 cents a gallon, the second lowest in the nation after Alaska's. Meanwhile, the state's roads and bridges rank [among the worst](#) in terms of state or repair and functionality, while the cost of building and maintaining them is among [the nation's highest](#).

The gasoline tax has been called the third rail of New Jersey politics, a sacred cow that lawmakers and governors have strained to avoid raising, even as other taxes have gone up.

"It's the last area where we don't gauge you," said Assemblyman Sean Kean (R-Monmouth), a member of the transportation committee. "Now we're going to come after you on that."

But even Gov. Chris Christie and his transportation secretary, [Jamie Fox](#), have said no potential revenue sources are off the table to help fund transportation costs. And Kean said the state's crumbling transportation system combined with the

trust fund's dwindling finances may mean a gas tax hike is inevitable.

Still, the ranking Republican on the transportation committee, Assemblyman Scott Rumana (R-Passaic), said falling prices could be a reason not to raise the gas tax, or, at least, a reason to limit the size of any increase. Rumana said low prices could spur economic growth, which would boost revenues from the sales tax, also a transportation funding source.

"You actually may realize that money you need for the transportation program by a natural tax growth," Rumana said.

A Rutgers-Eagleton poll taken Sept. 29-Oct. 5 found that 58 percent of New Jersey residents opposed a gas tax hike as a way to fix the state's ailing infrastructure. But opposition to a hike has fallen along with the price at the pump, and last month's figure was down from 66 percent opposed to a hike in April.

"If there were any opportunity to do it, it probably would be falling prices," said David Redlawsk, a political science professor at Rutgers and director of the Eagleton poll.

Still, the polls did not ask respondents whether gas prices were a factor in whether they opposed a tax hike, and Redlawsk said he was not convinced that the current decline was steep enough for a majority of New Jerseyans to support one.

It didn't seem like it, judging from responses at the Colonia Rest Area, where Angelo Teixeira was gassing up his lunch truck near Rodriguez and his BMW. Teixeira, who lives in Newark, said the recent drop was no guarantee that gas prices would stay low. And, he said, "if you have more tax now and the price goes up, it will be much too high."

Lucky Singh was one of two attendants at the rest area Shell station, which is near where they live. Even though they work pumping gas, neither one gave much thought to the issue.

"We use a bicycle," Singh said.

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