

S. 3609 – Gas Prices Relief Act

ASCE Position

ASCE **strongly opposes** S. 3609, the Gas Prices Relief Act. The recently introduced legislation by Senator Mark Kelly (D-AZ) and Maggie Hassan (D-NH) would suspend the current 18.4 cents-per-gallon federal gasoline tax through the end of this year.

Now is the time to build on the momentum of the IIJA and for the first time in decades take significant steps to revitalize our aging transportation infrastructure, improve public safety, and create well-paying local jobs. ASCE's 2021 Report Card for America's Infrastructure graded the nation's roads a "D," bridges a "C," and transit a "D-." Any legislation suspending the federal gas tax is a major step backward and threatens the work that Congress and the Administration put into place to raise the grades with the enactment of the IIJA last year.

Key Talking Points

- Even at the same modest figure of 18 cents per gallon for over 25 years since 1993, the motor fuel tax has represented a reliable federal revenue source for communities to fix and modernize their network of roads, bridges, and transit systems.
- Taking a gas tax "holiday"—even for a temporary amount of time—would result in the **loss of over \$20 billion from the Highway Trust Fund** (HTF), dealing a serious blow to the new bipartisan infrastructure law at a crucial point in time as Americans are expecting improvements to the nation's roads, bridges, and transit systems that rely on that funding for maintenance and repair.
- While it sounds like an enticing solution as inflation impacts American families, Congress knows that a variety of factors, including supply and demand, affect the prices that people see at fuel stations. Therefore, this legislation's attempt to deliver economic relief to Americans is misguided and won't achieve the intended outcomes.
- In fact, there is little guarantee that motorists will see any real relief at the pump, as oil producers have benefited significantly in the past from previous state-level gas tax holidays. There is no mechanism to ensure that this "savings" is passed on to consumers, but a virtual guarantee of disrupting transportation dollars and the Highway Trust Fund.
- Suspending the gas tax now sets a fiscally irresponsible precedent that the federal gas tax should not be collected when fuel prices are high. Additionally, undoing the gas tax "holiday" will be difficult once enacted, especially if fuel prices have not come down, further threatening the largest source of revenue for the Highway Trust Fund.

Current Status

In early February, a group of six Senate Democrats introduced S. 3609 to provide a temporary gas tax holiday due to concerns about inflation and the rising cost of gasoline. The legislation intends to backfill the significant losses to the Highway Trust Fund with a transfer from the General Fund, further adding to the deficit. As Senate Democrats begin debating ideas for legislation designed to cut costs for Americans as inflation drives up costs for gasoline, food, and other necessities, S. 3609 could be included in a larger economic package.

The bill has been referred to the Senate Finance Committee. Companion legislation was introduced in the House of Representatives on February 18 and referred to the House Ways and Means Committee.

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