



## Construction Industry Round Table

## Legislative News

*A force for positive change in the design / construction industry*

### **6/19/14 – Senators Propose Twelve Cent Increase in Gas Tax**

As was discussed during CIRT's recent spring conference, two deadlines face the Congress with respect to the transportation market: (1) a late summer "run-out" of the Highway Trust Fund, and (2) the September 30th expiration of the current transportation authorization bill. With these twin concerns looming a bi-partisan proposal has come forward from Senators Chris Murphy (D-Conn.) and Bob Corker (R-Tenn.) that would increase the federal gasoline and diesel taxes by twelve per gallon over two years and then index the rate to account for annual inflation after that. Unfortunately, the proposal is not likely to be adopted in time to address the Highway Trust Fund's near-term financial problem; but instead it may open the possibility of a gas tax increase to meet the longer term surface transportation reauthorization needs. Under the plan, fuels taxes would rise by six cents per gallon in 2015 and by an additional six cents in 2016 [the annual inflation driven increases would start in 2017]. It's being reported that the Senators estimate that the increases would bring in \$18 billion for the trust fund over one year and \$164 billion over 10 years. [By way of background: the federal gas tax now stands at 18.4 cents per gallon. It was raised to that level in 1993].