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Gas taxes give us a break at the pump

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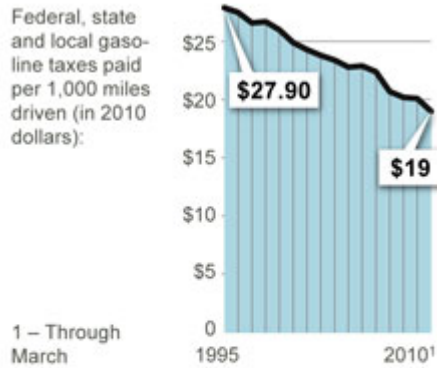


Enlarge

By Paul Sakuma, AP

A Shell station in San Francisco on June 29.

TAXING THE TANK



Sources: Bureau of Economic Analysis; Bureau of Transportation Statistics; Bureau of Labor Statistics; USA TODAY analysis

By Julie Snider, USA TODAY

GASOLINE PRICES



State-by-state gasoline averages from AAA

By Dennis Cauchon, USA TODAY

When drivers hit the road in large numbers for the Fourth of July holiday, they will have something extra to celebrate — the lowest gasoline taxes since the early days of the automobile.

Holiday drivers will pay less than ever at the pump for upkeep of the nation's roads — just \$19 in gas taxes for every 1,000 miles driven, a USA TODAY analysis finds. That's a new low in inflation-adjusted dollars, half what drivers paid in 1975.

Another measure of the trend: Americans spent just 46 cents on gas taxes for every \$100 of income in the first quarter of 2010. That's the lowest rate since the government began keeping track in 1929. By comparison, Americans spent \$1.18 in 1970 on gas taxes out of every \$100 earned.

Although the federal gas tax — 18.4 cents per gallon — hasn't changed since 1993, tax collections are down because today's vehicles go farther on a gallon of gas, cutting tax collections while increasing wear and tear on highways. Inflation since 1993 has eroded the value of the tax to maintain roads.

"The gas tax isn't going to work as the user fee to finance the highway system in the 21st century," says Robert Poole, transportation policy director at the free-market [Reason Foundation](#).

Drivers are on track to spend \$55.7 billion on federal, state and local gas taxes in 2010's first quarter, the Bureau of Economic Analysis reports. That's down from \$68.5 billion in 2000 after adjusting for inflation — even though Americans drive 7% more miles annually.

The American Trucking Associations, motorist club AAA and others favor higher gas taxes to reduce congestion and a backlog of road repairs.

The chance of that happening? "Outlook not good," says Jill Ingrassia, director of government relations at AAA.

Polls show the gas tax is one of the least popular levies. Only 23% support a 10-cent-per-gallon gas tax hike, according to a June survey by the Mineta Transportation Institute at San Jose State University.

"The money you pay at the pump doesn't always find its way to potholes," says gas tax opponent Pete Sepp of the [National Taxpayers Union](#).

State and local gas taxes average 30 cents per gallon and have changed little during the recession.

The nation's roads are increasingly financed by other taxes and borrowing. The federal stimulus plan set aside \$26.7 billion for roads, most of which will be spent by year's end.