



April 12, 2019

The President
The White House
Washington, DC 20500

Dear Mr. President,

On behalf of our organizations and the millions of hardworking Americans they represent, we urge you to reject calls to increase the federal gas tax and instead focus on reforming how we finance, regulate, and build infrastructure projects. America can have better roads and bridges without new taxes.

This week, our organizations released a state-by-state analysis of how a 25-cent per gallon increase in the federal gas tax would affect American households – the amount many on and off Capitol Hill are advocating. Households across all fifty states would face hundreds of dollars in higher taxes at the gas pump. Notably, households in states such as Wyoming, Texas, South Dakota, South Carolina, and Mississippi could pay higher taxes ranging on-average from \$340 to \$380 per year. The total state and federal tax burden on a gallon of gas would climb to more than \$1.00 per gallon in Pennsylvania, 96-cents in California, 92-cents in Washington, 89-cents in Hawaii, and 87-cents in New York.

While the Tax Cuts and Jobs Act of 2017 continues to deliver much-needed relief for American families and workers across the country, increasing the gas tax by 25-cents a gallon would dramatically claw back those benefits—Add to that higher prices for goods and services as businesses pass their higher gas-tax costs onto consumers. It is a double whammy that threatens to undo many of the benefits of your tax plan.

You were right not to pursue increases to the federal gas tax last year, and we urge you to spare Americans the added tax burden they would face from these renewed proposals. Before asking Americans to pay even more at the gas pump and for the goods they rely on, your administration and lawmakers in Congress should consider reforms that make the infrastructure funds we currently raise go further.

Positive reforms can be achieved by focusing on three core outcomes:

- 1) **Spending smarter on projects of true national priority.** Currently, more than 28% of the money in the highway trust fund is diverted away from roads and bridges to other projects. The highway trust fund was created to fund repairs and updates to roads and bridges, not subsidize ferry boats, bike paths and highway beautification.
- 2) **Reforming outdated and costly regulations.** The multitude of burdensome regulatory requirements and arduous and duplicative permitting processes required to undertake infrastructure projects substantially increase the cost to taxpayers and significantly slow down the completion of projects – often by years
- 3) **Protecting Americans from new or increased tax burdens.** Increasing the gas tax by 25-cents per gallon would claw back hundreds of billions of dollars – roughly 25% of the total benefit from tax reform – from low- and middle-income Americans at a time when they thought they were finally getting some relief.

We urge you to continue resisting calls for higher taxes on those who can least afford them and remain focused on spending tax dollars more effectively and efficiently.

Sincerely,

Brent Gardner, Chief Government Affairs Officer, Americans for Prosperity

Nathan Nascimento, Executive Vice President, Freedom Partners Chamber of Commerce