



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 3a

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
TEL 510.817.5700  
TDD/TTY 510.817.5769  
FAX 510.817.5848  
E-MAIL [info@mtc.ca.gov](mailto:info@mtc.ca.gov)  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

**Memorandum**

TO: Legislation Committee

DATE: October 2, 2015

FR: Deputy Executive Director, Policy

W. I. 1131

RE: S. 1994 (Carper): Tax Relief And #FixTheTrustFund For Infrastructure Certainty Act of 2015 (TRAFFIC)

**Background**

Senator Carper recently introduced S. 1994 to restore solvency to the Highway Trust Fund and create a mechanism to pay for a long-term authorization bill by raising the federal excise tax on gasoline and diesel fuels by 16-cents per gallon over four years. The bill doubles the federal Earned Income Tax Credit in order to reduce the potentially regressive nature of the gas tax.<sup>i</sup>

**Recommendation: Support**

**Discussion**

This bill is very similar to H.R. 680 (Blumenauer), which MTC supported last March. Whereas H.R. 680 proposed a 15-cent increase in the federal gasoline excise tax over three years, S. 1994 would raise the tax by 16-cents, in 4-cent increments over four years. Both bills would index the tax to inflation thereafter. S. 1994 would also raise the diesel excise tax by 16 cents, whereas H.R. 680 proposed a slightly higher 18.4-cent tax increase on diesel fuel.

Raising and indexing the federal gas tax to restore its purchasing power and provide for reliable, long term federal transportation funding is a long-standing component of MTC's federal advocacy program. With gasoline prices at historic lows this year, legislators from both parties have championed a gas tax increase. The federal fuel excise taxes have not been adjusted since 1993 and have lost almost 40% of their purchasing power since then.

Lastly, we note that a number of national publications have urged Congress to embrace the simple solution of the gas tax as the proper user fee to solve the transportation trust fund shortfall.

**Known Positions**

**Support**

American Public Transportation Association  
American Automobile Association  
Sand & Gravel Association

**Oppose**

Americans for Prosperity  
Americans for Tax Reform

  
Alix Bockelman

AB: rl

J:\COMMITTEE\Legislation\Meeting Packets\Legis2015\10\_Legis\_Oct 2015\3a\_S. 1994 Carper.docx

<sup>i</sup> Institute on Taxation and Economic Policy, "[The Federal Gas Tax: Long Overdue for Reform](#)," 5/20/2014